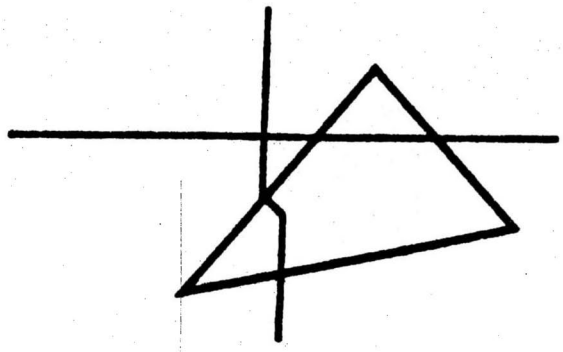
THE ORGANIZATION OF DEVELOPMENT PLANNING IN THE SOUTH PACIFIC

by

Roman Dubsky



Working Paper Series
Pacific Islands Studies Program
Center for Asian and Pacific Studies
University of Hawaii at Manoa

Roman Dubsky, a graduate from the University of Toronto and the University of the Philippines, with a M.A. in Philosophy, a graduate Diploma in Town and Regional Planning, a Ph.D. in Development Administration, taught in a number of leading Asian universities such as the University of Malaya, the University of the Philippines, and is at present Senior Lecturer at the University of the South Pacific in Fiji. He is a Canadian national.

This volume was reviewed by the faculty of the University of Hawaii's Department of Urban and Regional Planning. They are of the opinion that it will prove useful in their various courses and seminars. Similar use is planned at the University of the Pacific. This working paper should also be of interest to students of planned social and culture change.

Robert C. Kiste, Director
Pacific Islands Studies Program
Center for Asian and Pacific Studies
University of Hawaii at Manoa
Honolulu, Hawaii

THE ORGANIZATION OF DEVELOPMENT PLANNING IN THE SOUTH PACIFIC

by

Roman Dubsky
University of the South Pacific
Suva, Fiji

1986

TABLE OF CONTENTS

Chapter		
1	Introduction	1
2	The Development of Development Planning in the South Pacific	9
3	Organization	22
4	Coordination and Relationship with Other Agencies	36
5	Macro Planning	47
6	Development Budgeting	57
7	Evaluation	66
8	Monitoring	73
9	Implementation	86
10	Statistics	95
11	Foreign Aid	101
12	Planning Units	108
13	Planning Processes and Procedures	115
14	Constraints on Planning	122
15	Staffing and Training	126
16	Regional Planning and Decentralization	137
17	Participation and the Private Sector	158
18	Planning and Technocracy	169
19	Politicians and Planning	174
20	Prospects of Organizations	184
21	Conclusion	189
	Appendix	196

CHAPTER 1
INTRODUCTION

The rise to prominence of development planning in developing countries marks an attempt of governments of such countries at a more rational and effective pursuit of national development. Viewed as a strategy to accelerate development, it embraces at least two aspects which are interconnected, economic and organizational. Economically, it is conceived as a deliberate attempt by governments to influence, guide and in some cases control the direction and rate both of national economic growth and of social development. In this connection, the state has assumed a more positive role, which it has avoided in the past, wherein planning transcends the limits imposed on it by conventional private and public organization and encompasses a major part of the entire national economy. Organizationally, it aims to establish an adequately functioning organization for this activity. It has been recognized that if it is to be successfully performed, planning has to be properly organized for effective action. This aspect highlights the role of effective organization and management and of appropriate capabilities and focuses on the administrative machinery as the key to successful planning and development.

This study focuses on the organizational or administrative aspect of development planning. Approaches with an organizational or administrative emphasis do not, of course, constitute a new focus in dealing with development activities. This focus goes back roughly to the early 1950s when the idea of development became to a large extent administration-oriented. It involved what Braibanti has called "large-scale efforts at transnational inducement of administrative reforms in developing states"[1] and was associated with attempts at reforming the administration of developing political systems by means of international technical assistance, which included several U.S. and U.N. development agencies such as the U.N. Technical Assistance Programme, the U.S. Agency for International Development and the Ford Foundation. Such efforts were linked to broader objectives of development, particularly to rapid transformation of tradition-bound social and political systems in a modernizing direction.

The original administrative focus in developing national systems was not accidental. It reflected a belief prevailing then that modernization of administrative structures based on established rational principles of organization would induce desired changes in government systems toward modernization and productive efficiency and that it would induce also other changes in the area of development, such as social or economic, or at least that it would reinforce such changes. Although this optimistic view about rational administration for developing states subsequently came to be rejected as naive and simplistic (for it disregarded, for instance, cultural constraints on development and organizations) and was frequently violently assailed (arguably strong administrative systems may strengthen traditional regimes or modern dictatorships rather than encourage political development, conceived as growth of democracy), it is significant that the administrative perspective assumed a new importance in the late 1960s and in the 1970s, when administration had come to be viewed once more as a crucial factor in effecting a more dynamic type of national development. By then 'development administration' had become a newly-established concept and administrative thought had allied itself with emerging concepts of national economic planning or development planning. This was perhaps due to increased realization that a combination of vigorous economic and administrative intervention on the part of developing countries was highly desirable if the development process was to become more disciplined, more effective and more rationally pursued. On the other hand, political change was frequently viewed as being of less pressing priority. It may be added that some of the defects that had marked the earlier focus in the administration of development had by then been overcome or reduced in force, such as by attempts to accommodate a more humanist outlook and strategies into administrative thought and action.

This study focuses on the experience with development planning in the South Pacific. A survey of literature indicates that this is one area of study and research that has been neglected in the past. The existing literature on development planning is confined almost entirely to three continents, Latin America, Africa and Asia. It is scarce on the South Pacific, where it consists mainly of scattered references in articles focused on development or is touched on in studies dealing with economic problems or in connection with minor works written on private or public organizations in some Pacific countries. A more comprehensive study in this area has yet to be published.[2]

The present study seeks to fill at least partially this gap in the literature on government planning in the South Pacific. Its main objective is to present a profile of national planning systems in the region, focusing on their organizational or administrative rather than their economic aspects. It covers five such systems, those of Tonga, Western Samoa, Fiji, Vanuatu and Solomon Islands. It examines how these systems are organized, how they operate, what their major organizational problems are and how they cope with such problems, and discusses attempts at developing and improving their planning capabilities, particularly in organizing and administering their development activities. The study also highlights the changing nature of organization of development planning since its inception in the mid-1960s. In this connection, the argument surveys a number of specific topics, such as organizational structures, the mechanism for coordination and implementation, concepts and techniques used in planning, leadership in planning organizations, personnel, trends towards regionalization of planning, people's participation in planning decisions, the role of politicians in national planning, the philosophic orientation underlying planning activity as well as other related topics. Of particular interest is the emergence in the South Pacific of technocratic influence in national planning and the complete absence at present of comprehensive formal planning in one Pacific country, Solomon Islands.

More specifically, the study seeks to examine the following aspects of organization of development planning in the South Pacific:

- to identify the formal mechanism of planning and its operation as well as the main strategies and concepts used;
- to highlight major problems arising in this area and efforts made by governments to cope with such problems;
- to evaluate tentatively organizational effectiveness of existing planning systems;
- to identify the general orientation underlying these systems;
- to partially compare and contrast planning systems and practices in the region.

This is essentially a descriptive study, seeking to identify the prevailing practice and problems in organization of development planning in the South Pacific. The evaluative element does, however, inevitably come in. The desirability of

planning organizations in their present form has not been accepted uncritically. Interviews as well as other sources reveal a number of defects in existing systems which encourage the student of this subject to explore the possibility of their improvement

The study does not aim at comprehensiveness of treatment. Rather, it is meant to be exploratory in nature, to contribute to knowledge in this area in a modest and limited way. Not all aspects of planning organization are developed with equal comprehensiveness; some topics or areas are covered in a more limted way. (This is partly due to the loss of important materials, particularly on Solomon Islands, Western Samoa and Tonga.) Also the scope and depth of argument may change with the country at issue. Despite these limitations, sufficient material has been collected for the present purpose which allows the author to generalize the experience. It may be also noted that it is not the aim of this study to assess the impact of government planning on particular social and political systems in the Pacific region. This would require a research of a different kind.

It is envisaged that the study will be useful in many aspects. First, it fills an existing gap in the literature on planning. At present there is no systematic study dealing with organization of planning in the South Pacific (as contrasted with economic planning), although the administrative aspect is sometimes touched on under other headings or crops up periodically in government reports, particularly in connection with schemes of reorganization of government administration. Because of the growing importance of such organizations in government systems, there is a need to examine them in a comprehensive way, making use of a wide range of available data and experience. This study can be a starting point in this direction, stimulating further research in this area.

Secondly, the study should be useful for comparative purposes. It uses a comparative approach in dealing with the various systems and practices in the South Pacific. Comparison is made possible because these countries have a great deal in common. Although they may vary considerably in terms of population (from Fiji's 650,000 to Tonga's just under 100,000 inhabitants), in their land area (from Fiji's about 18,000 sq. km. to Tonga's 671 sq. km.) and their linguistic background (some are fairly monolithic, while others contain many linguistic groupings, e.g., Solomon Islands has about 87 different vernacular forms of speech), they are fairly alike in their climate and their traditional pattern of social and political life, despite some differences between Polynesia and Melanesia. Thus, the study should

enable us to identify and explain similarities and differences between particular systems in the region, including the Polynesian and Melanesian systems.

Thirdly, the study is likely to be useful to students of planning organization in other smaller developing countries. The present experience can be conceivably generalized particularly to such smaller countries, for their problems with government planning may be expected to be different from those of large-size countries. This is because of their smallness, whether in size or in population. They tend to have small manpower resources, to have frequently special difficulties because of distribution of the population over a large territory, to be lacking in modernizing outlook, and to have other similar problems due to their smallness or relative isolation. As such constraints are also present in the small island countries of the Pacific, the Pacific experience with planning generalized should be instructive also to the other smaller developing countries that have adopted the formula of development planning.

Finally, the study should extend theoretical understanding in this area of government activity. Improvement of theory in turn is likely to lead to improvement of practice, to better action in planning. This is not only in the sense that better knowledge tends to result in more rational decisions, but also because increased knowledge opens the eyes to broader perceptions of problems and makes possible greater choice of strategies or concepts in solving problems. Ultimately the usefulness of the study will be in its ability to contribute to improving the quality of planning systems in the South Pacific.

The study may be expected to be useful both to students of the subject (including students of planning, of administration and of development) and to practitioners of the art of planning. Its findings will enable them to view government planning in the region in a more informed or rational way. This point was partly supported by the interviews of our respondents, which indicated that the practical relevance of the study was readily perceived by many of them. Despite the rather isolationist development of their respective systems, planners themselves showed considerable curiosity and interest in the other Pacific systems. It is also significant that many of them appeared to have welcomed being interviewed (sometimes after initial mistrust) as an opportunity to conceptualize their experience, for a reflection on what they themselves were doing (not a frequent experience for such busy officials) enabled them to relate their actions to a larger framework of development and to identify the philosophic underpinning of such

actions. Perceived from this perspective, a broader approach to planning, such as is offered in this study, should help practitioners of national planning to overcome at least some defects present in planning theory and practice in the past, where planning tended to be conceived in a narrowly technical way and to be divorced from its cultural and situational aspects.

This argument draws mainly on two sources, interviews and government documents. Interviews involved leading national planners in each country covered in this study, from two to six in number, depending on the size of the planning office and their availability. In all cases heads (or the acting head) of the planning office were interviewed. In addition, planners from planning units operating in the major government ministries were sometimes interviewed. The interview schedule used was one of the 'open-ended' kind. Covering roughly all the questions raised in this study, it was usually modified to suit conditions prevailing in particular national systems. Government documents included various types of reports such as those on planning, economic development, staffing and training, or simply yearly reports of the central planning agency or of other planning offices to their minister or the government. Such reports usually identify existing organizational structures and major problems arising in them and sometimes recommend actions to be taken to reduce such problems. The principal government documents used in this study were development plans of the countries covered in this research.

The argument of the study is divided into several sections, each dealing with a particular aspect of the topic. Starting with a historical review of development planning in the South Pacific, the argument proceeds to organization and coordination and more technical aspects such as staffing, training, statistics, the administration and evaluation of programs and projects, monitoring, macro-economic planning, and so on. It also covers the style of leadership in planning organization, the ideological underpinning of prevailing planning systems, as well as new prospects and trends in this area of government activity. Two other features characterize the argument, namely a comparative approach, involving comparison of experience with planning organization in five Pacific states examined in the study, and a generous use of answers from our interviews of planners. In fact their answers constitute perhaps the main source of the argument.

The emphasis on the use of interviews is not accidental. It is intended to give first-hand information about how planning systems in the region operate as planners themselves perceive it. Interviews should also throw light on the quality and

complexity of the argument that prevails in this area and should give a fair idea of differences that exist, which may have historical or cultural roots. Moreover, the high level of sophistication often reflected in these interviews indicates that planners may be the best interpreters of existing theory and practice in this area. It may be also noted that in quotations used from interviews the names of their authors have not been acknowledged, although the country where they originate is identified. This is to protect the anonymity of planners as public servants. Their readiness to be interviewed and their openness in answering questions were often made subject to such a condition (of anonymity).

Finally, a few remarks about the contribution of our respondents. Being at the top of the administrative hierarchy in their profession (usually directors of planning or the heads of planning sections) they are extremely busy people who have little time to waste. It is for this reason that they amply deserve an expression of gratitude for their participation in this study. Hopefully they themselves will profit from it by being exposed to a variety of new ideas on development planning in the context of the South Pacific, thereby broadening their practical knowledge or experience.

Particular appreciation for making this study possible must be expressed to the following leading planners in the South Pacific: Peter Holla, Planning Officer, Central Planning Department, in Tonga; Hans Kruse, Director, Department of Economic Planning, in Western Samoa; John Samy, Director, Central Planning Office, in Fiji; Dr. Hak-Su Kim, Director, National Planning and Statistics Office, in Vanuatu; and James Herd, Head, Development Administration Division, Ministry of Home Affairs and National Development, in Solomon Islands. Appreciation should be also extended to all the other respondents participating in this study, particularly to David Woodward from the Ministry of Finance (formerly Senior Planning Officer in the Central Planning Office) and Brian Singh, Senior Planning Officer, Central Planning Office, both from Fiji; Augustine Garae, Deputy Director of Planning and Statistics, National Planning and Statistics Office, from Vanuatu; Paula Lavulo, Project Economist (Acting Director of Planning at the time of the interview), Central Planning Department, and Mathew Dean, Planning Adviser, Ministry of Agriculture, Fisheries and Forests, from Tonga; Joseph Huta-Sao, Provincial Development Unit, Development Administration Division, Ministry of Home Affairs and National Development, from Solomon Islands; Epa Tuioti, Deputy Director, Department of Economic Planning, and Frank Chan Tung, Industry

Officer, Department of Economic Development, from Western Samoa. Also to the University of the South Pacific which provided the necessary funds for the realization of this study.

NOTES

1. Ralph Braibanti, "Administrative Reform in the Context of Political Growth," in R. Braibanti, ed., Political and Administrative Development (Durham, N.C.: Duke University Press, 1969), p. 227.

2. The only major work published in this area is Joan M. Herlihy's A.N.U. Ph.D. dissertation "Always We Are Last: A Study of Planning, Development and Disadvantage in Melanesia " (1981). However, the work is limited to Papua New Guinea and Solomon Islands and focuses not on national planning systems, as this study does, but on "the relationship between development planning and rural development, as it has affected disadvantaged areas of Melanesia."

CHAPTER 2

THE DEVELOPMENT OF DEVELOPMENT PLANNING IN THE SOUTH PACIFIC

The development of development planning in the South Pacific has been a rapid affair. It had taken only one and a half decades before development planning became universally accepted in the sense that a commitment to it had been translated into comprehensive development plans and national planning organizations had been established in all countries of the region. Underlying such developments there was an interest in dynamic economic and social progress and in new technology, which was widely believed to have the ability to improve the lot of the people as well as to strengthen the international standing of the newly-created states or to give more power and prosperity to the existing national units such as the Kingdom of Tonga.

A brief review of development planning in the South Pacific will hopefully give the reader not only a fair picture of the form of planning and its rate of progress in the countries of the region, but will also serve as a background to the subsequent argument. Particular attention will be given to the extension of planning in the organizational aspect, the coverage of planning and its overall orientation. A brief overview of the history of development planning in the South Pacific follows first.

In Fiji national planning has a long history. The current plan for the period 1980-1984 is the eighth in succession. Some national plans go back to the post-war years, but the first plan that is usually viewed as a 'development plan' proper is DP5, preceding independence (1970), covering the period 1966 to 1970. It was stated to be "a departure from previous Plans in that it attempted to take a more comprehensive view of the economy and its problems and presented the Plan in an integrated framework" (DP6, p. 6). In its overall thrust it focused on the growth of the Fiji economy. The subsequent plans broadened the scope of basic objectives by incorporating ideas of social development and by seeking "to diversify and strengthen the country's economic base" (DP8, Foreword). Specifically DP6 commits itself to such broad objectives as social development, optimum use of

available physical and human resources, moderation of increasing income disparities, better employment opportunities, reducing disparities in the level of development between urban and rural areas, strengthening relations with other Pacific states as well as to building a multi-racial and well-integrated society, all this within the framework of "reasonable stability - economic, social and political" (DP6, pp. 18-20). The subsequent two plans basically retain these objectives, adding to them others, such as regionalization and promotion of greater economic self-reliance.

In the later plans some strategies adopted in the previous plans are given fresh emphasis, such as the diversification and strengthening of the country's economic base (found both in DP6 and DP7), which in DP8's version becomes a more specific reference to "considerable investment in increasing and diversifying primary sector output and in encouraging industrial development linked to this primary production" (DP8, Foreword).

There have been also increased attempts over time to apply the machinery of development planning more effectively and more extensively. As the subsequent analysis of the different aspects of the organization of planning in Fiji indicates, more advanced concepts and technologies of management and planning have come in use, starting with comprehensive approaches and macro planning. DP8, for instance, attempts to translate overall development targets into sectoral and regional development objectives, policies and strategies, which in turn are translated into detailed projects and programs (Ibid.). A commitment to development planning is also firmly made at the highest political level. In the words of Ratu Sir Kamisese Mara, Fiji's Prime Minister, "The importance of and need for planning is now widely recognized and accepted with government and in Fiji generally" (Ibid.).

The other planning systems in the South Pacific appear to have pursued a similar path in the pursuit of their stated goal of rapid national development. Their general objectives are nearly identical and also the technology of planning adopted by them. This is perhaps not surprising for their general objectives are those usually pursued by all new nations whose family they themselves have joined, and their technology has been acquired from the same one source, which accounts both for the similarity of the format of development plans and the universality of techniques and concepts used in national planning in the region.

Differences appear to be essentially a matter of timing. For instance, in Western Samoa, like in Fiji, more comprehensive planning began in the mid-1960s. The first Five Year Economic Development Programme (1966-70) "Laid a basic foundation for an institutional and policy framework for progress towards systematic and sustained economic and social planning for the future" (DP2, p. 1). The same approach basically applies to all subsequent development plans, with DP4 committing itself "to maintain the development momentum" (p. 1). The general objectives of national planning resemble those found in Fiji development plans, although more emphasis is given to cultural and traditional aspects. In the statement of DP4 (pp. 1-2):

> The objectives set out in the Plan reflect certain beliefs regarding the nature of Samoan society in the future. Thus, it is imperative to meet the basic needs of all citizens, to retain Samoa as a predominently rural village society, to utilize natural resources as the basis of economic development, and to draw more heavily upon traditional organizations and institutions in development. Furthermore, there is the desire to achieve a measure of economic diversification ... Cultural enhancement and strengthening and environmental improvement ... The basic aim is to produce a meaningful blending of economic, cultural and social development, reflecting a clear recognition of the limits to economic growth imposed by the particular circumstances of a small island country.

In Tonga development planning was introduced in the middle of the 1960s. The first two plans, however, were relatively simple and consisted merely of a set of projects. Only the Third Development Plan, covering the period 1975-1980, was a plan of a new format, marking "the Kingdom's first attempt at formal, comprehensive indicative planning" (DP, p. 1). It included all aspects of social and economic development (DP4, p. 1). DP4, covering the period 1980-1985, follows closely DP3 in its conceptual structure and framework, with the original long-term objectives, similar to those of Fiji, remaining essentially unchanged. The plan again is comprehensive: it covers all economic and social activities, embracing both the public and private sectors. It uses a macro framework to quantify available resources and their utilization, while at the level of sectors programs have been prepared for each of the main macro-level and sectoral aggregates (Ibid., pp. 5-6). This is a technical document with general objectives clearly stated and kept in focus.

In Solomon Islands government planning is also of long standing. It started in 1944. There were six such plans before independence (1978), prepared by the Secretariat, the government of the country then. In 1975 the first major attempt was made to produce a national development plan; this was prepared by the Central Planning Office which had been recently established. In the words of S. Mamaloni, Chief Minister at the time, who wrote the Foreword to the plan: "It is a Plan with a fresh look; not only does it look different and follow a different layout from previous Plans but it also is based on a new approach to planning for development. We believe that planning is necessary to get the best use of our national resources for national development" (DP 1975-1979, p. (i)). This plan, apart from providing guidelines for the future economic and social development of the country, was also a highly nationalist document, emphasizing the responsibilities, hopes and aspirations of the nation on the threshold of its independence, and included anti-colonial and anti-centralist feelings. ("A Review of the Solomon Islands' DP1975-1979", CPO, Honiara, 1977, p.1). As the Chief Minister put it, "This Plan marks an important step in our overall progress towards self-determination and nationhood . . . We aim to build our nation, not by force or direction from the centre, but by participation of our people who make up the nation. The corner-stones to our Plan are therefore decentralization, distribution and decolonization" (DP1975-1979, p. (i)). He also went on to say that by decentralizing power and distributing economic opportunities the government intended to break the vicious circle of centralization, rural decay and elitism, and by well-planned economic development it meant to free the country from over-dependence on others for its basic material needs, technology and financial aid.

This plan provided the basic framework for the five-year period starting in the mid-1970s, but it was not operationalized or detailed. Operational plans came from the ministries, local councils, statutory corporations, commercial firms, churches and other bodies involved. The plan also set out the methods and targets for the various sectors ("A Review of DP 1975-1979," op. cit., p. (iv)).

The subsequent story of development plans in Solomon Islands is not one of success. A draft of a comprehensive National Development Plan 1980-1984 was prepared by the Planning Office which was never given official approval; it was abandoned in 1981 when a change of government occurred. Since then there has been no development plan at all in existence in the country! To provide at least

some general guidelines for national development a booklet was issued by the government in December 1981 under the title 'Government of Solomon Islands: National Economic Development Policy'. This includes a section on 'Overall Policy', comprising (in one short paragraph each) such aspects as export revenues, taxation, provincial involvement, tourism, import substitution, communications and energy development, and marketing of commodities for export as well as a section on 'Commercial Development', including protection and monopoly and the use of raw materials. This booklet's text is 4½ pages long, which includes pictures illustrating some aspects of development.

In Vanuatu development planning did not start until the early 1980s, although government planning was not absent during the French-British Condominium era. There was, for example, a 'Transitional Development Plan 1978-1980', published by the Government of New Hebrides (Office of the Chief Minister, Port Villa) in June 1978. But a genuine national comprehensive plan had to wait till the grant of independence to this Melanesian country.

The first Vanuatu plan, called the First National Development Plan 1982-1986, seems to have enjoyed all the advantages of the 'late-comer' onto the scene of development planning. Containing 322 pages, prepared under dynamic leadership of a U.N. expert from South Korea, the plan indicates the use of the most advanced methodologies and concepts of planning. Three phases of a 15-year program are identified in this document whose ultimate aim is to achieve economic self-reliance: the Transitional and Reconstruction phase, the Consolidation phase and the Achievement of Economic Self-Reliance. The last is defined as the ability to meet import requirements by foreign exchange earnings and fiscal requirements from domestic revenues. Essentially two types of planning are involved, namely, directive planning for projects that will be undertaken by the government and indicative planning for projects that will be undertaken by the private sector.

The main questions addressed by our respondents in this area are as follows: When did development planning start in your country? What is the history of your development plans and your planning activity? Any changes in the orientation, the coverage or the scope of your national planning? Any broadening of goals or new developments in this area of government activity? This is a sample of answers received to these questions on the development of development planning in particular Pacific countries:

If you were to ask the question when we started in Fiji writing development plans, this is a different question from when development planning started. Development planning started soon after the war when the government began to prepare annual budgets. There were four of these in the earlier period, but if you mean by planning more comprehensive planning, this started with DP5, covering the period from 1966 to 1970. The first development plan at the time of independence was DP6 (1971-1975).

The nature of planning has changed over time in many respects. For instance, the earlier plans were essentially capital budgeting exercises, while DP5 and DP6 were much more advanced, comprehensive documents. In DP6, for example, you already find a macro-economic framework, an input/output model of the economy used, and the various economic targets cited such as growth by sectors and projections based on an input/output analysis of the economy. Since DP6 the macro aspects have been an important part of our planning system.

Our basic objectives have not altered much however. They have been maintained. If you compare DP8 with DP7, one of the first statements you find in the preface of DP8 you will also find in DP7. In this respect, progress has been mainly in the way of refining or going more deeply into the process of planning. There has been some broadening in the scope of planning for instance, the private sector has been brought in to play a more important role in the economy. Also social development has been given recognition. I think you can expect that, as we develop, more interest will arise in social development. DP5 reflects economic orientation, but in the later plans social planning is also prominent, for example, the policy of basic needs may be viewed as a new initiative. Also increased interest in technology comes in. There has been awareness of technology before, but the current development plan gives more emphasis to this factor in the sense of exploring and studying it in more detail. We are also applying advanced technology to our planning, although in this respect making only a start, e.g., by introducing computers, one right in our office, mostly for macro planning.

I would say the first real development plan in Fiji was DP5. I believe in 1963 a U.N. expert was brought in to kick the thing off. The first plan

came out in 1966 or 1965 and was called DP5. The earlier plans were basically public expenditure capital programmes whereas DP5 attempted to look at the overall national development. It introduced the concept of macro planning. I think this document anticipated independence. Before that basically development was financed by the British government. DP5, for instance, looks at the resource availability of the nation and makes projects right up to the year 2000 –this was a 35-year plan as well as being a five-year plan . . . After DP5 the scope of planning has not increased much. But I would say in successive plans there was more background work that went into planning, hence the increase in staff. DP5 was written, as I understand it, almost single-handedly by a U.N. expert, but subsequent plans became more of an office effort. Later when the present director took over, there was more publicity, and he went about trying to organize and analyze the actual work of the office and work out how many people should be in each section. In some parts we became more comprehensive, in others not so. We had great constraints. One can judge by the documents; they reflect basically the work that was done in the office.

[Fiji]

The first development plan in Tonga (1965-1970) was some kind of vague statement as to the direction where the government wanted to go . . . I would assume that in the mid-1970s governments realized that their planning systems were not too effective, that planning could be done better, that it in fact does play an important role in economic and social development. This was, for example, reflected in the creation of this office at the time . . . Certain shifts in economic orientation have of course occurred since then. If you examine DP4 (1980-1985) it is still recognized, like in DP1, that subsistence agriculture will continue to play a crucial role in the economy, but unlike in the past, most of the programmes are now geared towards getting farmers to assume a more commercial approach, to produce more for the market than for subsistence. In fact, the subsistence economy is going slowly down, although it is still one of the major sectors. Figures indicate that more funds are

being spent on manufacturing. This is supposed to increase considerably as a portion of the national economy.

[Tonga]

As we continue to plan, we like to believe that we are getting better and more sophisticated. We apply increasingly modern techniques of evaluation and macro analysis, and because of our growing interest in statistics, our planning is becoming more quantitative. In the past it was not possible to plan quantitatively largely because of lack of proper statistics. Our planning has been largely quantitative only in the sense that we got some projects, put them together and coordinated them and then set them up as targets for development. But they lacked a specific quantitative reference. This has changed with DP4. Later plans are also more comprehensive and regional development is mentioned. Also an element of environmental needs is incorporated into the last plan (DP4) which is something we did not have before. In addition we are also setting up a cultural programme, involving construction of a cultural centre.

[Samoa]

Our first development plan in Vanuatu will appear only this year (1982). Why? First of all, this country obtained independence in July 1980. Immediately after that date some form of development plan was prepared, but this was delayed until the arrival of a new planning adviser (director) in the country in October 1981. We produced a plan after 4½ months of work. This was a five-year development plan which was approved by the Council of Ministers on March 6th (of 1982) and is now being implemented. There was no formal development plan per se under the French-British Condominium. But there were internal development guidelines within the French and the British administration. After independence the Central Planning Office set out to consolidate the prevailing systems.

These early plans were really statements of projects, a list of projects. Development plans should have consistency and should cover the social sectors, infrastructure, government sectors as a whole; but the early plans tended to focus on piecemeal, specific projects such as roads, plantations, mostly economic planning.

The current five-year development plan is actually the first attempt of the planning authority to include all aspects of planning and development. It contains 27 chapters. Part I covers the policy and macro framework, eight chapters cover the economic sector and four chapters the social sector, another four chapters cover infrastructure. It is a comprehensive document. It was prepared mostly by the Vanuatu government's Central Planning Office, now called the National Planning Office, with some help from a U.N. expert who visited us twice, first at the drafting stage and secondly at the finalization stage. But most of the identification of projects was done by the government departments. The Planning Office coordinated and collected all these departmental inputs. Previous to that we had distributed guideline for the plan, stating its objectives, and departments then followed this central planning framework.

There were no development plans drawn up until the late 1970s. Only in 1979 or 1978 a five-year transitional development plan was drawn up in preparation to achieving independence. This plan was used but not on a very large scale. There were certain projects mentioned in the plan, but they were never carried out. The plan was focused mainly on development projects and programmes, but not on development planning as we have it nowadays. After independence it was decided to have a national development plan.

[Vanuatu]

National planning in the Solomon Islands is of long standing. There were six national plans before independence (1978), and a draft of DP7 was prepared which was later abandoned. Presently there is no development plan in existence, although the planning office continues to function normally.

The process of planning has vastly expanded over time. The early plans focused on projects that were to be undertaken. DP7 was different in its coverage and presentation. It reflected a new approach to planning, more comprehensive, more concerned with rural development. It took account of submissions for projects from various areas and of ongoing projects. Also of manpower. It involved a lot of expertise in development planning,

as you can see from the big size of this document. But this plan was abandoned and there is now some vacuum in national planning. It seems that it was not balanced enough in matters of provincial development. It might have failed to reflect adequately the new trend in the country towards decentralization of development.

[Solomons]

Our brief review of the development of development planning in the South Pacific indicates different timing in this activity, roughly from the mid-sixties in Fiji to the other extreme of Vanuatu, where the first development plan came out only in 1982. This timing does not seem accidental. It seems connected with political independence. It is significant that the first development plans always appear either just before or just after the countries have attained the status of independent political units, which suggests a relationship between development planning and political independence. Agruably this act has provided a stimulus for the new states to follow the example of other such states in their attempt to accelerate their rate of development and to use development planning as one of the principal strategies for that purpose.

The distinction between the old style of government planning and plans reflecting a new style in planning is appreciated throughout the region. Hence the claim made by both national leaders and planners of all Pacific countries that a new era has begun marking a new orientation in planning, and the distinction made by planners between the "early" plans, which they describe as capital budgeting exercises and refer to as piecemeal planning, and the "later" comprehensive type of planning, self-consciously identified with development. Roughly, the early plans involved the normal recurrent planning, in effect budgeting, but the specifically <u>developmental</u> dimension was not, as yet, properly identified and self-consciously applied. This distinction became increasingly recognized. It is found, for example, in Fiji's DP5 (1966-1970, p. 10) where it is stated that "development planning is a wider concept than public capital expenditure programming. It covers all Government activities of a recurrent as well as of capital nature and extends into the private sector of the economy; within the context of the total national resources likely to be available." This distinction is also expressed neatly by one Vanuatu planner, quoted earlier. According to him,

These early plans were rather statements of projects, a list of projects. Development plans should have consistency and should cover the social sector, infrastructure and government sector as a whole, but the early plans tended to focus on piecemeal, specific projects such as roads, plantations, mostly economic planning.

The review also indicates that planning systems in the South Pacific have undergone changes in their size, the scope of their activity and in their orientation to some extent. Changes in size refer to the growth of planning organizations and the number of those involved in this activity; this is identified in the subsequent argument, e.g., in sections on Organization and on Staffing. Changes in the scope of activities refer to the extension of areas of the country's economic and social life that have come within the purview of interest of national planners. This has been a gradual, but a persistent experience. The later development plans of all regional countries reflect a growing interest in new areas of activity. In the economic sphere, for example, planning had to accommodate the new trend in most national economies away from the subsistence economy to a market-oriented economy as well as the new thrust toward increased economic diversification of the primary production base and toward stimulating industrial development. Elsewhere, planning was also expected to give increased support to social development sectors and included, for instance, an interest in regional development and planning and in manpower planning. Also commitments have been made to the idea that the private sector should play a more important role in economic development.

There have been also changes in the general orientation of planning to some extent. Commitments to the basic goals of development have remained virtually unaltered since the early seventies, although some broadening of goals has occurred since then. Perceptions of Fiji planners indicate, for instance, that "there has not been much change in these objectives," only that there have been attempts at "refining and going more deeply into the process of planning." Broadening of goals is reflected in specific references to equity or reduction of spatial and other disparities, in the increased emphasis on decentralization related to rural and regional development as well as in other areas of national development.

One major and persistent aspect of planning in the South Pacific is its basic technological, if not technocratic orientation. This involves the adoption and increased application of advanced technologies, concepts and methodologies of

organization and management science in the process and organization of development planning. It is reflected in the use of advanced economic models and macro approaches, in the emphasis on the optimal management and utilization of national resources, in efforts to diversify strategies for development, the use of computers for planning, and so on, implying attempts at rationalization of the whole economic and social systems and at overall control of their operation. This trend has also led to more comprehensive planning, one of whose consequences is the enormous growth in the physical size of development plans, e.g., in Tonga from 48 pages of DP1 to over 400 pages today. Planning has become an essentially technical exercise, with skills imported or learned from external sources, involving limited consultation with or limited participation of the people. It has been made possible by the presence of political leaders who have come to believe in comprehensive planning as the most efficient means to economic and social progress for their small developing countries.

The technological or technocratic element in Pacific planning seems to have undergone certain modifications however. This is reflected in the awareness among Pacific planners of special problems facing their countries which require a special treatment. One example is attempts made by planners to modify conventional concepts of technical efficiency in the light of the given Pacific environment. As one Tongan planner has put it, "We are reviewing our planning approaches more or less on a continuous basis. When we discover that we could do our work more effectively, we try to come up with new approaches." Other examples quoted earlier involve the explicit recognition of the limitation of central planning or of economic growth. In Samoa, for example, this takes the form of reasserting the crucial importance in development of cultural and traditional values, in Melanesia the form of seeking to strengthen the 'participatory elements' in planning decisions, directed at giving an institutional protection against what may be regarded as politically and socially irresponsible or undesirable central planning. (See the section on Organization.) Another example, drawn mainly from Fiji, involves rejection of technocratic ambitions in planning in favor of the conventional service-oriented role of planners. In this connection frequent reference is made by planners to their subordinate role as mere "advisers," although their other role, reflected in the growing responsibilities and scope of power of planners, has also been recognized, in which planning is said to have acquired a definite decision-making dimension.

Finally, one practice in development planning in the South Pacific cannot remain unnoticed. This is the absence in the early 1980s of any development plan in Solomon Islands, while the planning office there remains operating and keeps expanding its activities. This is a challenge to national planners of small developing countries, suggesting no particular need of 'bigness' in the process of planning, rather a more moderate approach focused on immediate programs and projects. Indeed, some such approach was recommended by writers on development planning in the 1970s on the basis of their extensive experience with national planning in developing states, particularly in Latin America. Yet despite this reaction to bigness in planning, macro models remain used and widely accepted, indeed they seem to be regarded by Pacific practitioners of the art of planning as a 'necessary' thing. Justification of their usefulness for development planning will be given in the subsequent section on Macro Planning.

CHAPTER 3
ORGANIZATION

Planning organizations are the institutional means by which objectives of development planning are to be carried out. In the vast majority of developing states such organizations not only exist but have grown in size and complexity as an increasing scope of economic and social life has been brought under government control and planning activity has become more diversified. This pattern of development has been also followed in the South Pacific. It reflects the belief that a strong mechanism of planning can do much to increase the efficiency of national planning and with it of national development. This section will discuss such organizations operating in the South Pacific region.

For convenience, the organization for national planning in Tonga will be used as an example of the general pattern, for it seems to comprise the main characteristics of most systems covered in this study. (For its more detailed description, see Tonga's DP3 pp. 144-148 and DP4 pp. 339-346.) In this system, formal planning centers around two organizational arrangements, the Central Planning Department (CPD), originally called the Central Planning Office, and the Development Coordination Committee (DCC). The CPD has an overall responsibility for national planning, as DP4 (p. 340) puts it, "it is the Kingdom's formal body for planning and coordinating the national development efforts," or DP3 (p. 147), it "considers issues from the overall national viewpoint." It is located in the Prime Minister's Department and is headed by a director. Among its principal functions are plan formulation, review and revision; giving advice to the government on all issues affecting economic and social development; and providing executive and secretariat sources to the Development Coordinating Committee.

The department is central to the whole system of national planning. Its work is not only directly linked with the Development Coordinating Committee (and through it to cabinet) and the Prime Minister's Department, but also with the other ministries or departments, particularly Finance and Foreign Affairs in matters of aid, and it is a member of a number of departmental and inter-departmental committees. (See Chart I in the Appendix.) It comprises a variety of specific

planning activities, covering macro-economics, population, manpower and employment, economic services, infrastructure, social services, and rural and regional development. The department is, however, not the sole body participating in national planning; each ministry is expected to do its own thing in planning. In the statement of DP3 (p. 147) the department's "function will in no way affect the existing right of departments to advise the Government on policy . . . . its role will be complementary to that of departments."

The Development Coordination Committee represents the organization of planning on the decision-making side. The committee is viewed as the "main policy body in respect to issues affecting planning" (DP3, p. 144). It is chaired by the Prime Minister and comprises the heads of all the major or strategic departments (Finance; Education; Labour, Commerce and Industries; Secretary to Government; Planning; Works; Agriculture; Foreign Affairs; Police Planning and Training Officer). Its specific task is to make recommendations on national plans, reviews or revisions, on development budgets, aid programs or policies relating to development or on any other reports or matters affecting development.

Other planning systems in the region manifest a similar pattern in their organizational arrangement, but also some differences. For instance, in Fiji, like in Tonga, the Central Planning Office is at the center of all planning activity. Located at times in the Prime Minister's Office, at other times under the Ministry of Finance, this office is at present (in 1983) one section of the Ministry of Economic Planning and Development. Its main functions are similar to those of the CPD in Tonga. According to DP8 (p. 80), its primary role is to act as "a technical secretariat which coordinates and advises Government on social and economic policy," which involves the responsibility "to coordinate overall assessment and regularly review the effectiveness of public sector resource allocation." Numerically the office represents the largest planning organization in the region and is divided into four units (sectoral, regional, macro-economic, project planning and evaluation) and general support units. (See Chart II in the Appendix.) The units are in turn divided into more specific activities, some of which comprise 'staff clusters', which involve also members from the other sectors of planning, and are meant to enhance coordination. (See the section on Coordination.) For instance, the Sectoral Planning Unit is divided into three activities or sectors, economic production, infrastructure/utility and social/community services, the Regional Planning Unit comprises four geographic divisions and the so-called Growth Centres

Programme, the Project Planning and Evaluation Unit comprises budget coordination and aid coordination, and the Macro-Economic Planning Unit three sections, modeling and forecasting, manpower and macro-economic policy analysis. (From the "Functional Organization Chart, January 1983.") The office is linked to a number of important government committees whose focus is on development, such as the Budget Coordinating Committee, the Aid Coordinating Committee and the Macro Sub-committee.

A superior administrative body in Fiji, advising the cabinet on matters of planning and development, is the Development Sub-committee. Structurally this represents the culmination of the system of development committees starting at the lower levels of national administration with District Development Committees at the district level and Divisional Development Committees at the divisional/-regional level. Composed of permanent secretaries and department heads who represent ministers of state, it makes recommendations to cabinet and advises cabinet on issues of economic and social development. It meets fortnightly.

In Solomon Islands a Central Planning Office was established in 1975 as part of the Chief Minister's Office. (See Solomon Islands' DP 1975-1979, p. 67). Also a Development Committee was created by the Council of Ministers chaired by the Prime Minister to oversee all matters concerned with planning and coordination of development. Another agency that originated at that time was the Development Working Party, which was made up of officials from all ministeries and included the Central Planning Office. The principal role of CPO was to provide planning services to government ministries and the Development Committee, and to act "in support of local councils in production of operational and area plans." (Ibid.) The system was radically reorganized in 1981, when the Ministry of Home Affairs and National Development was established with the planning office becoming part of this ministry under the name "Development Administration Division." Also a new body was created, the National Planning Council, which was made part of the Prime Minister's Office. Its function is to review national planning, particularly development programs and projects, from the point of view of their social and political desirability or viability, which seems to include the consideration of the country's present commitment to devolution of political and administrative authority to provincial governments.

In Vanuatu, planning agencies existed even before national independence (1980). The first of these was the "Joint Office of Development Planning" and this

was followed by the "Central Planning Office" attached to the Prime Minister's Office. After independence these were replaced by a new organization, comprising both planning and statistical functions. This is the National Planning and Statistics Office, which is located in the Prime Minister's Office. In addition, like in the Solomons, a political body was created called the National Development Commission, to oversee the impact of planning on national development broadly conceived. In 1982 this newly created body was not yet operational.

A somewhat different institutional arrangement exists in Western Samoa where planning is located in the Economic Planning Department. This is a part of the Ministry of Economic Affairs and has many functions: apart from economic planning, it advises government on economic policy and development, deals with coordination of the development budget, as well as with fisheries, product marketing, promotion of industrial development, promotion of tourism and the administration of the Enterprises Incentives Act (Samoa's DP4, p. 182). On the decision-making side, there is an old established body, the Economic Development Board (EDB), overseeing economic development, which approves all development plans. It is composed of members of cabinet. In the past, its role did not go beyond approval of plans, but in 1979 it accepted a proposal that it would meet regularly and would consider more general development issues (Ibid., p. 45). Another important body is the Development Planning Coordination Committee (DPC), consisting of the heads of the departments and agencies most concerned with project implementation; its main task is inter-departmental coordination. Its more specific function is to coordinate the compilation of development plans and other planning documents, to facilitate implementation of projects and prepare quarterly reports on them, to consider new projects and changes in planned projects, to make recommendations on any aspect of economic development, and to facilitate liaison and cooperation between departments concerned with economic development (Ibid.).

Conceived in a broader way, the mechanism of national planning also involves the work done by the other ministries or departments and statutory bodies. They all have specific responsibilities for planning in their respective areas, including formulation, implementation, monitoring, evaluation of projects and advising government on policy issues affecting their sectors. It is, for instance, stated in Fiji's DP8 that "it will be the responsibility of each Ministry and department as well as statutory body to regularly monitor its own activities" (p. 80). (See also Tonga's

DP4, pp. 344-346.) As noted in the subsequent argument, special planning units have been established for this purpose at least in the major ministries.

A survey of planning documents reveals a recognition by planners themselves of organizational weaknesses of their respective systems. Some of these are mentioned in Tonga's DP3 (pp. 46-47). One is inadequate planning capabilities arising mainly from "the failure to adopt new functions and procedures to meet changing needs." This is reflected, for example, in the inability of the planning organization to be responsible for overall plan formulation and implementation. The document blames this partly on excessive dependence in planning on foreign advisers and on the lack of qualified people. As the plan puts it (p. 47),

> This procedure has the disadvantage that foreign advisers are not in the country long enough to enable them to grasp the social set up of the country, and the social and institutional aspects of development. As a result, the aspirations of the Tongan people were often not fully reflected in previous plans. Most departments suffer from a lack of qualified and experienced staff to handle the detailed work of plan or programme formulation and implementation.

Other organizational shortcomings are identified in the area of ministerial functions, administrative direction and the role of the governors. It is argued that existing sectoral divisions in planning frequently cut across the responsibilities of several ministries and that this causes overlapping and so problems in implementation. Or the point is made that a clear distinction may be lacking between the political and administrative functions of the country's governors and also that there is excessive concentration of authority in the heads of departments. Some proposals are made to reduce such shortcomings. In brief, it is suggested that effective administrative direction requires that functions of personnel be clearly defined and streamlined, that political functions be clearly distinguished from administrative functions and that appropriate authority be delegated to prevent excessive centralization.

Interviews with national planners in the South Pacific reveal a variety of ideas about organization of planning. They focus mainly on changing structural arrangements, organizational problems and improvements and related topics. They are partially reproduced in the following discussion.

In Fiji, in terms of organization, the work of the office during the period 1972/73 to 1980 was organized largely into the macro-economic section and sectoral planning. Those were the two major streams. Since the office was not large, individual staff were assigned to several sectors. For example, in my first few years I was responsible for looking after agriculture, fisheries, forestry, housing and mining. For a planning officer this was quite a headache; it was more than he could do. That had certain implications for what sort of things could be done from the planning point of view, what kind of planning one would get. I remember when we were doing Development Plan 7 (this was completed towards the end of 1975); basically we worked with the ministries, but almost whatever they submitted to us we incorporated into the plan as the five-year development plan. What we really did was to facilitate planning. Basically we acted as coordinators.

The structure of the office up to 1980 was this: there was a director, one chief planning officer, two principal planning officers (these were new positions created only since 1980), a number of senior planning officers and many planning officers. The strength was right at the bottom in terms of number. We were weak at the top. To give you an idea what this means: if you look at the functions of the office in terms of the nature of the office and if you link it to the executive-level line ministries, the chief planning officer would relate professionally as an equal to the permanent secretary who is a director. At that level you need staff with a certain level of maturity, professional development and experience. But subsequently we grew not only in numbers, but also in strength in terms of more senior positions. Also, because of the new regional strategy of the government, to give that strategy a special emphasis, we set up a regional planning section in addition to the original macro-economic and sectoral sections. This was in 1980-81.

By that time, as a result of number of economic missions, particularly from IMF and the World Bank, we had been continuously reminded that the major constraint on the planning process in Fiji was not so much a lack of available funds, but a lack of suitable projects to fund, that what we needed was a pipeline of projects. Once we could act together in getting suitable projects, we could do more than what we were doing. Therefore

one of the functional units we set up was the project planning and evaluation unit. This was supposed to strengthen the project planning capability of our office; it also involved expansion of our planning activity to the other ministries and was meant to generate pipeline projects. Project planning has become a very important function of our work. Thus, on the one hand we had macro policy formulation and on the other hand sectoral and regional planning, and within the second area we had a very strong interest in projects, including project identification, evaluation and appraising as well as monitoring the implementation of projects.

At present we have, then, four units; each with a head. But the system is more complex; there are often divisions within particular units, e.g., in the sectoral section we have three major streams: economic production, infrastructure-utilities, and social and community development. In terms of staff, what we have done instead of having one person to specialize in agriculture or some other activity, we have a cluster of staff. We have created work-teams and task forces. The idea of doing this is by drawing on people from regional, macro and other activities to promote greater cooperation in planning. Incidentally, our ministry is divided into two parts, each headed by a director. The economic planning arm is the Planning Office, the other arm is Trade and Industry, which is a line ministry. We review their work as well.

Our office was established in the 1960s. The first mentioning of it was in one of the governor's speeches opening the parliament, probably in '64. It was a small section of the Ministry of Finance, but it was relatively autonomous because it was servicing the Development Sub-committee. After independence, when the emphasis started changing toward socio-economic development, there was a need for a bigger planning office. So the office physically moved from the Ministry of Finance into this new building, where it is now, which was in or after 1975. It was placed under the Prime Minister's Office. There was a couple of papers written at that time arguing that we should come under the Prime Minister. Then around '77, the Prime Minister made a very personal appointment, selecting a minister who was the Attorney-General. A new Ministry of Economic Planning was created and this minister was put in charge of it. He subsequently resigned or was sacked or whatever. Then we went back to

the Prime Minister. He continued to be the minister responsible for economic planning until the last election (in 1982), when a Ministry of Economic Planning and Development was created, which includes what remains of the Ministry of Commerce and Industries, the Economic Development Board, which is a statutory body, and the Central Planning Office. This is a fairly recent development, that they put us together. In creating this ministry, the Prime Minister might have thought that planning was becoming too big a responsibility for his office, that it would operate better on its own or under a separate minister who could devote more time to it.

In our office, we do not implement anything. We only facilitate the operation of other departments. We are put under one minister, for we've got to belong somewhere. This is for convenience sake.

[Fiji]

In Samoa the Economic Development Board is the highest body in government planning. It was established in 1965. It was created by cabinet and consists of five cabinet ministers, in fact the majority of cabinet (in which there are nine ministers and the Prime Minister). The Board gives directives through the Department of Economic Development. It does not meet very often. What in fact is happening is that increasingly the department deals with cabinet as a whole. This saves the need to have two meetings. There is also the Development Planning Committee at the officials' level which consists of the heads of departments. This screens the proposals of the various departments before they go to cabinet or the Board. It was originally set up to prepare or formulate the fourth five-year development plan. It is considered to be a permanent committee. So the Board is on top, then we have the department and also half-a-dozen committees which involve some politicians, e.g., a committee for industrial development, others for projects and programmes in the social sector, for the monetary sector and for infrastructure. And then there is the Development Planning Committee consisting of the heads of departments who are civil servants.

To answer your suggestion that we, planners, so to speak, wear two hats, for in our department we not only do national planning, but also the work

connected with line-activities (e.g., trade, fisheries, marketing), which are also the responsibility of the department. This is a valid point. For instance, we have technical heads in the various divisions whose work mostly involves detailed running of such divisions, but at the same time they are involved in the planning exercise. When we are preparing plans or formal programmes and projects, they have a role to play in it. However, it is mostly the economists in the department who coordinate planning . . . This lack of separation of functions eventuated mainly because when the department (EDP) was set up there were many new development programmes which did not have any department that would take responsibility for them. So we were placed in a position where, in some cases, we were performing operational as well as planning functions. Yes, we are both an operational and planning agency at this point of time. You are right, the ideal situation would be to separate the two functions. I think in the future we'll probably see some changes, whereby planning will be more on its own. I personally feel that this may happen within the next government, after the next government comes in.

[Samoa]

The organization of planning (in Vanuatu) focuses on the planning office, which was first established way back in 1977. It was known as the 'Joint Office of Development Planning'. Just before independence (1980) there was the Government of National Unity, and the original name of our office was changed to 'Central Planning Office'. In March of this year (1982) the Prime Minister decided to amalgamate statistics and planning. Now our formal title is the National Planning and Statistics Office (NPS). More broadly, the planning organization involves the proposal to create a Central Development Committee composed mainly of ministers and department heads for coordinating the different sectors. Regional matters would be reviewed by Regional Development Committees composed of the presidents of the provincial government councils. Somewhere on the periphery, although important, there is the National Development Commission whose task is to provide political supervision, if not guidance, in planning. But so far (in 1982) this body has not yet become operational.

When I came here, I reorganized planning responsibilities by dividing them into two broad sectoral categories, one involving agriculture, manufacturing, trade and tourism, another including infrastructure, the social sector and the government sector (i.e. government services, such as statistics, meteorological service, police, etc.). Another of our responsibilities is aid coordination, involving receiving bi-lateral and multi-lateral aid and to liase with appropriate departments. I have assigned one man for two-three sectors and also one-two for aid coordination, so the staff is quite overburdened: they work very hard . . . We have also undertaken a reorganization of the structure of our agency on the line of Fiji's Central Planning Office, creating a macro planning unit, which also includes manpower planning. This will be handled by my associate who will come shortly from the U.N., while the sectoral planning unit is headed by an agricultural economist who will coordinate his work with other sectors. Another innovation is the creation of a regional planning unit, in which a regional planning economist will be in charge and will be helped by the sectoral economist. In addition, we have established a Development Finance Coordinating unit whose main responsibility is aid coordination and to work out development projects with aid donors and ministries concerned. The responsibility of the Finance Coordinator will also include capital budgeting. At the moment the Ministry of Finance deals with the recurrent budget and the Planning Office prepares the capital budget. All these are separate units to deal with different aspects of planning.

In Vanuatu we have a definite philosophy where to locate planning. The Prime Minister is the chief minister and therefore the planning office should belong to his department. If it belongs to other ministries, the coordination function diminishes.

[Vanuatu]

Organization of planning (in the Solomon Islands) goes back to the establishment of a planning unit in the Chief Minister's Office, which later became the Central Planning Office. This was dissolved in 1981 when the government changed and is now a part of the Ministry of Home Affairs and National Development; it is called 'Development Administration

Division'. In 1981, too, when a new government came to power, a new body was created called the 'National Planning Council', which was made a part of the Prime Minister's Office. This council is conceived as a regular body, but at the moment it has only one person on its staff, and, so far, the government seems to have treated it in an experimental way. The council is not expected to duplicate the functions of the Development Administration Division because its interest is different. It is intended to review projects from the point of view of political and social desirability or viability broadly conceived. This may assume particular importance in the light of the country's efforts at decentralization, at establishing provincial governments and spreading national development.

The Development Administration Division comprises five units, including health, agricultural projects, monitoring and evaluation, and provincial development. The last unit, the so-called Provincial Development Fund (PDF), is a good example of the work which is done in the D.A. division. This unit was set up largely to review development projects proposed by the provinces to see how money is spent. It replaced the so-called General Development Allocation (GDA) existing during the colonial administration when money used to come from London. The PDF tends to be used for smaller-scale development and infrastructure, e.g. building clinics, wharves, water supply, land reclamation. The unit is meant to ensure that such proposed projects are in conformity with the objectives of national development. More specifically, its function is to review and appraise projects. We don't propose anything ourselves.

[Solomons]

Certain generalizations can be made from the preceding argument about the nature of organization of development planning in the South Pacific. One is that some form of central planning organization exists in all Pacific countries and that these organizations have been rapidly growing systems. On the structural side, increased specialization and diversification has led to organizational diversification, which is reflected in the formation of new units or divisions. Now there are usually four such units in central planning agencies: sectoral, macro-economic, regional and one for project evaluation. Increased specialization has been partly a result of increased scope of planning interest or activity, partly of external

pressures. External influence has been identified in Fiji, where the setting up of a project and evaluation unit in the CPO is ascribed largely to the prodding by the IMF and the World Bank. Such a unit was expected to make the processing of foreign aid more effective. In a statement by a Fiji planner quoted earlier, "we had been continuously reminded by them that the major constraint on the planning process in Fiji was not so much a lack of available funds, that what we needed was a pipeline of projects. Once we could act together in getting suitable projects, we could do more than we were doing." Other planning units or divisions were formed in response to increased interest in new areas of social and economic development, e.g., manpower, environmental protection and social development.

Second, the argument indicates changes in the view of the desirable scope of activities of central planning organizations and of tasks to be performed by central planners. The earlier organizational arrangement involved a rather limited view of what such agencies should be doing, and were small in their staff and limited in their specialization of functions. Almost all planning was done by the ministries, while planning agencies acted only as a coordinator of planning activities, and individual planners were expected to look after a number of sectors. Only at a later stage these agencies became more active in the overall process of planning, specialization increased and planners were assigned to work in particular sectors. As one Fiji planner describes the early period, "basically we worked with the ministries, but almost whatever they submitted we incorporated into the plan . . . What we really did was to facilitate planning. Basically we acted as coordinators." The argument also indicates that changes in organizational arrangement were frequently rapid, which might lead to major problems. An example drawn from Fiji is the rapid expansion of the CPO in its staff. This created a considerable lack of qualified people particularly in senior positions where "a certain level of maturity, professional development and experience" was required if the system was to be run effectively. Planners simply could not be trained fast enough to fill the newly-created senior positions.

The argument also seems to indicate a trend in the location of planning agencies in the overall government structure. As a rule, such agencies are attached to some government ministry or to the Prime Minister's Office. In the early stage, the attachment to the Prime Minister's Office appears to have been the prevailing practice. This may be explained by the desire to give newly-formed agencies strong political backing or simply by the frequent practice in government systems to place new agencies in the Prime Minister's Office because this is likely

to have politically least controversial effects. The point that planning functions should be a part of the Prime Minister's department is strongly emphasized, for example, by the leading Vanuatu planner, who seems to believe that the office will reap not only the benefit of political support but also maximum cooperation with other government departments. In his statement quoted earlier, "In Vanuatu we have a definite philosophy where to locate planning. The Prime Minister is the chief minister and therefore the planning office should belong to his office. If it belongs to other ministries, the coordination function diminishes." At a later stage, however, when the office expands greatly its functions, and its work becomes more complex, more technical and routinized, other, more technical criteria seem to be applied in deciding on where to locate this activity. The tendency seems to be to make it part of some ministry involving economic planning as its major component or to locate it in the ministry of finance.

The organizational mechanism of planning is not, however, confined merely to central planning agencies. It also involves other institutional arrangements, particularly those connected with government ministries or departments. Their role in national planning is crucial, as most of the input into development plans and planning comes from them. They usually do the evaluation and monitoring of programs and projects in their sector, while the central agency tends to be responsible only for the overall assessment of their proposals, apart from reviewing the effectiveness of resource allocation in the public sector. Hence the claim of a planner from Fiji that "we do not implement anything. We only facilitate the operation of other departments. . . . Basically we acted as coordinators." The mechanism of planning in the South Pacific involves also other institutional arrangements. For instance, in Melanesia there is the National Planning Council in Solomon Islands and the National Development Council in Vanuatu, which have 'watchdog' functions, reviewing proposed development programs and projects in the light of desired national political and social objectives. There is also a variety of committees operating in the regional countries and a board (in Samoa) whose task it is to deal with national planning.

The argument of this section also indicates the existence of major problems in organization of planning in most countries of the South Pacific region. In Tonga, for instance, such problems are associated with the failure of existing structures to adopt new functions and procedures required to meet changing needs, with overlapping ministerial functions, a lack of administrative direction and the failure of existing structures to adopt new functions and procedures required to meet

changing needs, with overlapping ministerial functions, a lack of administrative direction and the failure to distinguish between political and administrative roles in government administration. In Western Samoa, a major organizational problem appears to be the practice of giving planners both operational and planning responsibilities (so that they wear 'two hats', as planners and as implementors), which is of historical origin. In all cases, however, there has been increased awareness of such problems and steps seem to be taken to improve existing conditions. For instance, in Fiji the danger of organizational fragmentation due to increased specialization, which may adversely affect coordination, has been partly offset by the practice of teamwork. In dealing with development issues, a preference has been shown for teams, task forces or 'staff clusters', involving experts from many sectors, rather than for using experts in one particular sector. In the statement of a Fiji planner, "The idea of doing this is by drawing on people from regional, macro and other activities to promote greater cooperation in planning." This is viewed as vastly improving the overall quality of organization of planning. Also in Samoa it is admitted that the present practice of mixing operational with planning functions is unsatisfactory, that "the ideal situation would be to separate the two functions." This is expected to happen in the near future.

CHAPTER 4

COORDINATION AND RELATIONSHIP WITH OTHER AGENCIES

Like in all organized endeavor, coordination is crucial to the success of planning. To coordinate is to bring into harmony or proper relations, and as planning activities in most developing states encompasses virtually all sectors of public life, it is imperative that the relationship between planners and such sectors be a smooth one, that there be good communication and that overlapping of work be minimized.

In the South Pacific the need for coordination in planning is emphasized in all development plans, and an institutional mechanism has been devised to strengthen coordinative efforts in planning. Coordination is important for at least two reasons. One is because of the existing practice which makes both the planning agency and the ministries or departments share responsibility for planning, each in its own particular way, hence the requirement of their close cooperation. This idea is conveyed in Tonga's DP4 which states:

> Successful planning requires effective and efficient coordination between Departments and the Central Planning Department. Ministries and Departments are responsible, in conjunction with the Central Planning Department, for the formulation, implementation and monitoring of sectoral programmes and projects. (pp. 344-345) . . . From the point of national development and financial planning, . . . it is essential that all policy proposals be evaluated by the Central Planning Department for consistency with the overall national objectives and by the Ministry of Finance for their financial implications. (p. 341)

The second reason involves the recognition that planning is crucial to the success of government efforts at development, therefore the central planning agency should always be kept informed about what goes on in the economy, indeed should partake in the decisions about it. This aspect of coordination, involving participation of planners in policy making, is again given recognition in Tonga's DP4. In the relevant provision it is mandated that planners should be represented in administrative bodies which may involve the shaping of national policy, in the

words of the document, "the Director of Planning will be accorded representation on statutory boards and ad-hoc bodies which may be involved in determining national policy" (p. 345).

Coordination has acquired increased importance as a result of extension of problems in this area. This is because of increased scope of planning and development activities. There is now a greater variety of projects and programs, involving participation by many parties, public and private, which have to be effectively coordinated if they are to be brought to their successful completion. An example of this is the Regional Development program in Fiji under DP8 which, in the statement of the plan, "will require substantial coordination of efforts within and between all government ministries and departments" (p. 81). Extension of problems in this area has led to an emphasis on more effective coordination. This is reflected in frequent references in Pacific development plans to the need to institutionalize coordination and cooperation, e.g., between planners and the private sector, in such matters as formulating and implementing development policies, and in periodic attempts to establish coordinating bodies in this area.

In interviews conducted for this study national planners were asked a number of questions intended to throw light on the issue of coordination or on the relationship between the planning agency and the other government administrative bodies. Some of the questions asked were as follows: What are your linkages or your relationship with other government departments? How do you coordinate your work with them? Are there major problems or conflicts, particularly with the ministry of finance? What are some of the causes of the failure to coordinate? What attempts have been made to institutionalize coordination? A variety of answers were received in our interviews which are in part reproduced in the following section.

> In our office we tend to work together. For example, the sectoral people work mostly in close liaison with the regional and macro units. If you look at the chart, take the modelling and forecasting work in the macro section. There is a need for that unit to link with sectors and regions. So I have the sectoral and the regional officer form a cluster or a team and these two in turn link with the macro section. And similarly we have staff who specialize in regional matters, covering the four regions of the country. These people are also expected to get involved in sectoral matters. For example, in the Western division we have three major activities. They are: pine, sugar and tourism. So the regional officer for

this division in addition to finding out what is happening in his division gets involved in sugar and those other sectors which are predominant in the region. The same with the macro people. Because they look into the economy as a whole they are dependent for their information on what is happening on the ground. Hence naturally they work closely with other sections.

We have given our cooperation a distinct identity, i.e., in the form of team-work because of two activities, project coordination and aid coordination. Both involve sectoral and regional people and working with the Ministry of Finance as well as all the line ministries, and linking our activity with aid bodies, on the aid side. Similarly we have a team of officers for project planning and evaluation who are closely linked with sectors and line ministries.

Functionally there are a number of important functional planning forms. For example, in budgeting. One of the questions is how to relate planning to Finance. Budgeting is the responsibility of the Minister of Finance. This is a very large and powerful ministry. In the process of formulating the budget we are, however, very actively involved because the tool to implement development plans is the budget. In the short-term a budget exercise evaluates the changes that take place in the economy and continuously monitors the divergence between what is in the plan and what is feasible. So we as guardians of the plan have got to be very well linked with the budgetary process. What exists now is called the Budget Coordinating Committee which includes the Secretary of Finance, the Director of Economic Planning and the Secretary of Public Service Commission on the manpower side. The process involves the ministries which make submissions to the Ministry of Finance, but all the evaluation of such submissions, particularly those for capital expenditure, are done by the Planning Office in relation to the plan. In matters of resource allocation, prioritization and so on, we are very much involved. That is on the side of projects and submissions of individual ministries. On the other side, in the overall macro-economic policy framework for the budget, again we are very much involved. There is a Macro Policy Committee which is a sub-committee of the Budget Coordinating Committee. It includes the Central Monetary Authority, the Finance Ministry, the Bureau of Statistics and the Planning Office. This committee is a

standing committee that continuously monitors what happens in the economy. It says: on the basis of this information, this should be our strategy for the budget for next year. This then becomes the framework for the budget. So we are involved at that level, participating both in the Macro Committee and the Budget Committee.

How is our work connected with the work of other ministries? There are two types of plans. One involves the overall national development framework, covering the policies, strategies, etc., which involves a somewhat longer-term frame, where we are expected to play a major role. On the other hand, when it comes to organizing and planning for implementation, we don't have executive functions. We act only in an advisory capacity. The line ministries are responsible for actual implementation. And the planning that goes with it is rather different from the planning which we are supposed to do, but there is a relation between the two. We hope that the review is just that. For instance, in the last review we identified a number of critical areas in the agricultural sector that we said would require new action. Some actions in this respect may be undertaken by particular ministries, others at your initiative. That is, there may be areas that would require action within the ministries to do something about them, while other areas would require a joined effort of the Planning Office and the ministries or other agencies. Just an example: dairy development strategy. If that sector is getting in difficulties now, maybe this is the right time to take a long-term view of 5-10 years and to examine what we can do. This should be one part of overall national planning, which would also involve our office.

Whether there are conflicts between us and the ministries? If you look, for instance, at the agricultural sector, it is the Minister of Agriculture who is responsible to the Cabinet for agriculture policy. But, because we are interested in long-term planning and in reviewing their proposals, we raise some critical questions on policy, strategy, options and the like. And if we are in disagreement with that ministry as to the direction where the policy should move, ultimately Cabinet has to resolve such policy conflicts. When we did the last year's plan, we did not have many such conflict situations. Where we did have conflicts, we had very extensive further discussions and debates to resolve them. We would usually arrive at a broad consensus.

Eventually the Cabinet has to clear that up. We submit our problems to the Development Sub-Committee

We are not a decision-making body. We are just consultants giving recommendations. If it were decisions we make and if we tried to make the other ministries abide by them, our role would be a different one. There might be disagreement and friction then. But we only advise, give technical advice.

In coordinating our work with other government agencies, this is where the Development Sub-Committee is very important, to which we are the secretariat. What happens is that all new projects have to come to this committee and we ourselves review such projects. There is now a provision that any proposals for aid or all projects should go to this sub-committee.

It happens in this country that from the start of a project we work as a team: CPO, the Ministry of Finance and the PSC Public Service Commission. There is also the Budget Coordinating Committee. They meet for several months, but in-between there is a smallest group, meeting, consulting or interviewing the various ministries associated with projects. Yes, there is an institutional mechanism to facilitate coordination . . . Also what we are trying to develop is a link with other ministries to work with them in the area of planning. This should expedite the processing of projects.

The problem of coordination in planning is partly dealt with by people in CPO working closely with proper people in the ministries. In the case of the Ministry of Finance, this has of course always been very much involved with planners because of budget. There were two budgets in the past, capital and recurrent. The capital budget was considered more a part of the planning operation, therefore CPO was involved in the allocation of capital projects. Its recommendations were sought when the budget submissions came in from the different ministries to Finance; these submissions were sent to CPO for evaluation and then back to Finance. However, now we have a number of committees which handle coordination. There is, for example, a Budget Coordinating Committee which reviews all the proposals; this consists of Finance, CPO and Public Service Commission for manpower aspects. And we have an Aid Coordinating Committee which looks at aid projects.

If there are tensions between Finance and Planners? I wouldn't call it tensions. I would say that there are two different points of view and that is understandable. They (the planners) are pushing development. They have responsibility for that, to ensure that development objectives be achieved. While our responsibility in Finance is more to make sure that we don't exceed the money available, and we are also faced with the practical problem, being the unpopular ministry, to raise taxes if development spending exceeds what is available through the normal tax structure. There is a difference, a bias. As I have said, we have now a coordinating committee on budget where any difference in views should be ironed out.

[Fiji]

DP3 refers to the overlapping of ministerial responsibility. One example of this is the case of agro-processing industries. On the one hand we have the Minister of Agriculture, Forestry and Fisheries and on the other hand the Ministry of Labour, Commerce and Industries. Who should be in charge of agro-based industries or the prime promoter of the relevant projects? In the case of Labour, one of whose overriding tasks is employment creation, there would be also other ministries which would be involved in that area. Overlapping was perhaps mentioned in the plan to draw attention to the fact that there should be a clearer distinction of fuctions. I think the reference to it is aimed mainly to ensure better coordination between the ministries to avoid the situation when one ministry runs off in one direction and another in a different direction, say, Agriculture may try to promote a certain commodity for export while Industry may pursue processing of that commodity. That's where coordination comes in.

[Tonga]

Everything in the final analysis has to be passed by Cabinet and at that level one minister could disrupt what another is trying to do. He could argue against or in favour of a project proposed by another ministry. But, once it is approved, it is quite clear who implements it. There is no overlapping there . . . As I have said, they have the opportunity there to have conflicting views and to compete with one another: the hierarchy of one ministry against that of another ministry, as each is interested in enough money and more projects.

Some problems exist in our relationship with the Treasury. Treasury wants to be the arbiter of financial decisions. But it is not a conflict that becomes vicious. It is just a friendly battle that goes on all the time . . . If they remain, such conflicts are resolved at the Cabinet level. In the final analysis, if we feel strongly about an issue, we take it up to Cabinet and make the point that the reason why we are not getting this thing done is because Treasury has not been able to find the money. There is, however, a mechanism meant to ensure coordination between us and Treasury, for instance, ad hoc committees or initiative taken on a bi-lateral basis. I call up the Finance Secretary, sit down with him and argue the point. But if we cannot resolve the issue between ourselves, one of us will say: "I guess this is something our masters should decide upon." I would say: "Well, go and borrow or steal, I don't care where you get the funds, but this thing has to be done." Then we agree that we should go to the big boys and see what they have to say.

In our mutual relationship, Finance Ministry has definitely much more power. I have to accept the fact that we are not as strong as they are. Of course, their strength comes from their control over money. We can scream our heads off and they may say simply "there is no money." But when they want something done, they put the money there and then things happen, because it takes money to make things happen.

We have consultations with other departments, particularly those involved in the planning process of the whole economy. The treasury is also involved; we have periodic reviews to see how things are going. There is a frequent dialogue among all the parties involved in industrial activity. Of course there are bound to be occasional frictions between them because everybody tries to get as much as possible from a very limited cake.

[Samoa]

We are rather part of the line system. The director of this office is supposed to make decisions, not only to give advice, in that sense we are a decision-making rather than an advisory body.

There is a possibility of some friction between us and a ministry submitting a project. For this sort of thing the National Development Commission is going to be formed. But it has not been effective as yet.

> At the moment, if there is conflict between the planning office and any ministry, we would go and discuss it with the technical people involved. We give advice. The planning office in my field is not supposed to make decisions, only to advise the minister and his technical people and to say why there is no justification for certain actions to be taken. But in the future there should be a commission dealing with such conflicts. I think we'll work better with the establishment of such a commission. It would be in a position to give directions to our planning officers and so to development planning. [Vanuatu]

Interviews conducted for this study reveal a number of points on coordination and on the relationship of planners with other ministries in the South Pacific:

The first point is that in all Pacific planning systems it is recognized that effective coordination is a necessary precondition to a successful pursuit of development activities. This is so because such activities have vastly increased in scope and complexity and tend to involve many parties, public and private. Without coordination they would be unintegrated, overlapping and fragmented, unable to produce the desired impact on development. Coordination of CPO with other departments is of particular importance, for these share responsibilities with it for planning. Hence the effort to develop or strengthen its relationship with them. As one Fiji planner quoted earlier puts it, "What we are trying to develop is a link with other ministries to work with them in the area of planning. This should expedite the processing of projects." Or in Vanuatu, "we coordinate with all the concerned ministries." The central role of CPO in coordination is recognized by the requirement to make the Director of Planning a member of those committees which may involve determination of national policy.

Secondly, attempts have been made to strengthen coordination in the planning agency itself. There is usually some form of formal or informal arrangement among the units dealing with sectoral, regional and macro aspects of planning. This may be necessary, as proposed projects have often important implications for all these three activities: they are sectoral, yet may have a regional impact and also may affect macro planning figures. An example of a highly developed mechanism of coordination in a planning agency is the practice introduced in Fiji's CPO, involving the formation of sectoral "clusters" (as they are called) which are

also composed of experts belonging to the other planning units. Thus decisions tend to be made collectively. This mechanism is used, for example, for project planning, project evaluation and coordination, and includes aid projects.

Similarly attempts have been made to strengthen interdepartmental coordination by appropriate institutional arrangements. These depend largely on the type of relationship that exists between the CPO and the other departments, which varies. On the side of individual projects and submissions by the departments, the planning office is strongly involved, particularly in matters of resource allocation, prioritization and so on. As one Fiji planner has put it, "because we are interested in long-range planning and in reviewing their proposals, we raise some critical questions on policy, strategy options and the like." On the macro activity side, the office is again strongly involved, especially in long-range planning. In the case of short-range planning, however, it is involved to a lesser degree, for ministries to implement their own projects. It acts only in adivsory capacity or can influence the course of development only through annual reviews, such as by identifying critical areas in particular projects. Attempts at better coordination have been institutionalized by forming committees to deal with at least the crucial activities. There is usually a Development Committee or Sub-committee at the sub-cabinet level (in Fiji, e.g., composed of all permanent secretaries, servicing the cabinet, to which the CPO acts as the secretariat), a Budget Coordinating Committee (in Fiji, e.g., comprising the heads of Finance, CPO and the Public Service Commission on the manpower side) working as a team, an External Aid Committee as well as a host of other committees or sub-committees, such as the Macro Policy Committee in Fiji. The Last body is a sub-committee of the Budget Coordinating Committee, composed of Finance, CPO, the Bureau of Statistics and the Central Monetary Authority, which "continuously monitors what happens in the country," particularly on the economy side.

Inter-departmental relationship involves occasional conflicts between the planners and officials from the other departments. "Of course there are bound to be occasional frictions between them," admits a Samoan planner, "because everybody tries to get as much as possible from a very limited cake." However, such conflicts are manageable and tend to be resolved before the issue is submitted to cabinet for approval. This experience is described by one respondent: "When we did the last year's plan, we did not have many such conflict situations. Where we did have conflicts, we had very extensive further discussions and debates to resolve

them. We would usually arrive at a broad consensus." When basic disagreements persist, conflicting issues would then be pushed to a higher, political level for a final decision.

A special type of relationship exists between the Ministry of Finance and the Planning Office, as both departments are directly involved in the budgeting process (as noted in the section on Budgeting, the Planning Office is interested mainly in the development or capital budget). Again occasional conflicts or frictions occur between the two bodies. These are ascribed to differences in their respective orientation: the planners are anxious to pursue expansive policies, while the ever-cautious Treasury officials tend to be traditionally worried about excesive spending and its destabilizing effects on the national economy. In this situation involving two "competing parties" the Treasury is the stronger party, because of its control over the national purse. As one Samoan planner quoted earlier has put it, "their strength comes from their control over money. We can scream our heads off and they may say simply 'there is no money'. But when they want something done, they put the money there and then things happen, because it takes money to make things happen." Such conflicts are, however, manageable, a normal occurrence. As perceived by two Pacific planners, "I wouldn't call it tensions. I would say that there are two different points of view... Treasury wants to be the arbiter of financial decisions. But it is not a conflict that becomes vicious. It is just a friendly battle that goes on all the time." Several practices have been developed to manage problems between these parties. One is the forming of ad hoc committees to deal with issues of mutual interest, another is that the Director of Planning simply takes the initiative to discuss outstanding problems in an informal manner with his counterpart in the Ministry of Finance. Should such attempts fail to reach agreement however, conflicting issues are passed on to politicians who will make the final decision, in the phrase of a Samoan planner, "we go to our political masters ... we agree that we should go to the big boys and see what they have to say." This may be the cabinet or such bodies as the National Development Commission in Vanuatu.

Effective coordination is often contrasted with bad coordination which is due to a lack of clear distinction of functions or to overlapping of functions. This situation is exemplified by the overlapping of ministerial responsibilities in Tonga and is traced to a lack of a clear distinction in departmental functions. It is assailed as a bad practice, as leading to a chaotic administrative system, which

makes effective planning and cooperation impossible to achieve. In this situation, a Tongan planner suggests, improvement is "aimed mainly to ensure better coordination between the ministries to avoid the situation when one ministry runs off in one direction and another in a different direction."

Finally genuine cooperation or coordination of efforts involves a form of partnership. This is unlikely to be effective unless the respective position of all parties is duly recognized and respected. One authority must not seek to transgress the legitimate boundary of another authority. In planning, this means that planners must not seek to impose their will or preference on the other government departments. This may not be always easy to do, as they see their mission as advocates of general national interest, which, in their view, should have a priority. Hence their frequent arrogance (as their critics perceive it) and the tendency on their part to dictate the desirable path to development, particularly when their ambitions are given sufficient support by the governing authority. In the Pacific context, however, national planners appear to perceive their relationship with the other government departments in a more modest, more cooperative spirit. In their view, their task is not to tell the departments what to do or not to do. Rather, they are essentially technical people, who should give technical advice on matters of national policy and planning. "We are not a decision-making body," says one Fiji planner, "we are just consultants giving recommendations. If it were just decisions we make and if we tried to make the other ministries abide by them, our role would be a different one . . . we only advise, give technical advice." This orientation in cooperation suggests a preference for consultation and dialogue among all parties concerned with planning and also the tendency to involve all government departments in the process of national planning.

CHAPTER 5

MACRO PLANNING

An approach widely recognized as important for effective development planning is the macro-economic approach. This has been also followed in the South Pacific. All development plans published in the region in the early 1980s contain a reference to it or a section devoted to a "macro framework" in which the analysis of planning is conducted in a highly abstract manner, using aggregate figures and focusing on the economy as a whole.

Macro-economic models are sometimes defined explicitly. An example is Fiji's DP8, where the model is said to be "based on a series of Input-Output tables constructed by the Central Planning Office" and its use is elaborated at length. (See Technical Appendix I, pp. 341-351.) Also some of its major limitations are acknowledged, such as those due to limited availability of data. It is, for example, stated that "sophistication in modeling is unwarranted when the basic data are limited." As the following quotation from this document indicates, despite some weaknesses, the model has been found effective in doing what it is expected to do, to predict trends in economic sectors: "While the data are not as rigorous as might be desirable, the system developed was found sufficiently accurate and flexible, in that a series of 'policy experiments' could be investigated" (p. 341).

The failure of plans to achieve their objectives is paltry ascribed to the unavailability of the type of data used in macro planning, such as those on national accounts. It is, for instance, stated in Tonga's DP3 (p. 1) that the plan's major weakness "lies in the lack of adequate and reliable data for the construction of a macro framework." It is also added that because of unavailability of some basic data "a number of assumptions had to be made," and because of these assumptions, "the data on national accounts published in this Plan should therefore be regarded as provisonal and subject to revision." It is significant that despite such weaknesses macro approaches have established themselves as a major aspect of development planning.

Yet the wisdom of macro approaches has been frequently put in question as the subsequent argument indicates. At least two or three points of criticism of

macro planning are found in the literature on development planning. One is that macro planning does not work because the targets tend to be unrealistic. They project what the economists or planners would like to see happen, not making sufficient allowance for practical obstacles to the attaining of such desired objectives. Thus there is a gap between goals/promises and reality, plans promising more than they can deliver. Some such experience appears to be reflected in Samoa's latest development plan (DP4), where it is stated that "the Third Plan fell short of achieving planned objectives in a number of areas" and that it "has fallen short of expectations" (pp. 2-3). Macro planning, by focusing on the goals of development and by encouraging a macro view of the economy, tends to underestimate the means, the micro perspective, and problems including implementation, hence contributing to the failure of achieving the planned objectives of development.

Macro planning has also been assailed as being unsuitable particularly in smaller developing countries. It assumes a degree of considerable rationality, but the prerequisites for rational planning are frequently lacking such as adequate statistics, technical skills, management capabilities, manpower, appropriate social values and so on. This is the point made, for example, by Aaron Wildavsky in his well-known work Planning and Budgeting in the Poor Countries (1974). He questions the applicability of the conventional notion of planning rationality, imported from more advanced management thought, to small developing states, expressing preference for a "rationality of micro planning." In brief, writers like Wildavsky propose relative downgrading of macro-planning approaches, a focus on programs and projects as a realistic approach to national planning. Sometimes macro planning is also criticized as having distorting effects on national development, for it tends to focus on economic factors and to denigrate other types of development such as social progress of man. This is said to be partly due to the planners' preference for physical, quantifiable data and their relative disregard for human needs, because they cannot be easily measured, partly to their professional and technical training which makes them think in terms of technological rather than human or social values.

Interviews conducted with Pacific planners throw light on some of the issues associated with macro planning, such as the meaning and usefulness of macro approaches, the limitation of macro planning, attempts made by governments to strengthen the capability in this area, and reservations by planners themselves

about macro planning activity. Answers of the respodents are partly reproduced in the following section.

Macro planning is the bone and the other, micro planning, is the flesh on it. It sets the framework, guidelines and assumptions, and determines how things are going to be shaped. The rest is more details. I think it is a very important exercise. But is not to be looked at in isolation. Not all is just macro planning. We go to other people and work as a team. We prefer to look at planning in terms of clusters or functional units, each contributing in its own way. Macro and micro people working together in clusters. Ideally they should complement one another.

Q. But some writers on development planning say that when planners do their planning in a big way, such as in macro planning, they tend to overemphasize their targets, which may not work in practice. So planning is a sort of sham exercise. The idea is that one should, therefore, concentrate on manageable projects, which then leads to identify planning with project and programme planning. In this criticism of macro planning, the gap is emphasized between plans, often so beautifully presented, and reality. Has such gap existed in your planning experience?

A. I don't think that I am saying this. A very marginal gap perhaps. In my own area there is a very arbitrary distinction between whether to classify something as sectoral or as macro. In macro planning, the more economic type of planning, you look mostly at the magnified effects, which you don't do if you look only at sector by sector.

The usefulness of macro planning depends on whether predictions have been reliable. If so, you can confine your macro-planning unit work to those terms.

Macro planning has always been considered very important. I think that spells the difference between the Fiji economy and other smaller Pacific countries. Fiji is large enough. And we have this considerable inflow of foreign exchange for sugar and tourism, so that we have always attached importance to the level of investment and how much money is going out. Up until 1980 this was looked at by the planning office, by their macro section, since 1980 some of the work has been done by the Central Monetary Authority, but they are mainly concerned with short-term fluctuations, money supply and so forth. In Finance we are concerned primarily with government revenue and expenditure. But I'd say it was in 1980/81 that we first had an effective

macro planning set-up. A committee was set up then, the Macro Planning Committee, which started as a sub-committee of the Budget Coordinating Committee. The role of the Macro Committee was early in the year to look at where the economy was going and how much money the economy could afford to spend for the budget, or we should be jacking the economy to stimulate growth, and to set an overall guideline for the budget. There has always been a macro guideline or budget guideline in the form of a cabinet paper. Up until 1980 it was the Ministry of Finance which was mainly involved in putting up that paper, although the Central Planning Office wanted to get into it.

I was in the macro section at that time and I know that we thought, that there should be more input from us, people who are familiar with what the economy was doing. This set-up, the coordination with ministries with regard to macro planning, originated in 1980/81. It was all part of the reorganization of the whole budgeting process. We had an IMF adviser here to combine the two budgets into one.

We set up these committees like the Macro Planning Committee. I think it has been quite effective. Certainly the minister does pay attention to it . . . We've always had people here who were interested in this area of planning since the early '70s.

[Fiji]

Q. In DP4, for example, I have come across the statement that "output has been lower than forecast, although expenditures exceeded the planned target." If I am correct, this means that economic output of the economy has been less than targeted and overspending has occurred. If so, this seems to suggest considerable weaknesses in planning.

A. Yes, it certainly does. Such weaknesses have not perhaps been without a reason; one of them is a macro approach to planning. First of all, I am somewhat apprehensive about the new idea of comprehensive planning, including macro planning. I am not sure whether this is actually an appropriate planning tool for a country of the size of Tonga. If you are talking about millions of people in a country, you just have to do such planning. The various characteristics balance out one another and you may come out with a reasonable forecast. Secondly, if such planning is to be

effective, you need a good data base, which they certainly did not have when they did DP3. OK, the data base has improved since then, but there is still much need for improvement. I am also reluctant to say that DP4 projections are very realistic. Really the whole problem of macro planning comes down to the question of suitability of this approach. It gives us some indication, but to say that "our future growth will be 5.7%" realistically makes it necessary to put in a number of question marks . . . My feeling in a country of the size of Tonga is that what should have been strengthened in both DP3 and DP4 is concentration on actual project and programme planning rather than macro planning. On the basis on detailed project and programme planning there is some point in making projections or forecasts of the gross domestic product.

[Tonga]

I think as we continue to plan, we like to believe that we are getting better and more sophisticated. We apply more and more modern techniques of evaluation and macro analysis. And as the interest in statistics is being developed, planning will become more quantitative. Up to the Fourth Plan, it has not been possible to plan quantitatively largely because of lack of proper statistics. There are no macro analyses and specific growth targets. Our planning has been largely quantitative only in the sense that we get proposals for projects, put them together and coordinate them and then have them set up as targets for development. But they lack a specific quantitative reference.

[Samoa]

I am in favor of the use of a macro approach. But the problem is that we don't have national accounts and in balance of payment we have only trade accounts recorded and capital accounts are not well organized. Banking statistics have been just established by the Central Bank in 1981 to estimate money supply. So basic statistics were simply lacking when we were preparing our first five-year plan. But we attempt to utilize the macro approach in drafting the second plan. I am interested in GNP and GDP accounts. We have just had the national accounts established this year (1982).

Planners should refer to some empirical or theoretical model. In Vanuatu we have specifically referred to one such model, which is an empirical model based on Pakistan, Israel, Greece, South Korea and so on. I have identified that this country has three basic gaps: fiscal (defined by physical requirements minus domestic revenue), trade gap (defined by import requirements minus foreign exchange earnings) and savings gap (defined by investment requirements minus domestic savings). The overcoming of these three gaps is directly linked to the politicians' definition of independence or self-reliance.

Economic planning is more than just programme and project planning. If we neglect the macro relationship, we would be omitting an important dimension. I don't agree with the exercises of the small countries only in projects and programmes.

If you look at our five-year plan. Part I covers the policy framework and macro framework. So we have tried our best to utilize macro relationships. More macro variables will be used in the second plan.

Within the planning office itself we do not have any unit dealing with macro planning. We rather focus on projects and programmes. The macro approach has a certain usefulness to show the flow of money, how much we can benefit from tourism industry, and so on. But we do not go more deeply into it . . . What we essentially focus on in our planning is project and programme planning and coordination of aid.

[Vanuatu]

The answers of Pacific planners indicate a number of points about macro planning and its desirability in the South Pacific. First, macro analysis has been generally accepted as a useful exercise in development planning, particularly in Fiji. The point seems to be appreciated by Fiji planners that in the case of a country more economically advanced like Fiji whose economic stability is easily affected by inflows of foreign exchange or tourism, a macro view of the economy is a useful and valuable part of national planning. Hence the following comments made by Fiji planners quoted earlier: "Macro planning is the bone and the other, micro planning, is the flesh on it. It sets the framework, guidelines and assumptions, and determines how things are going to be shaped. The rest is more details." Or "Macro planning has always been considered very important. I think

that spells the difference between the Fiji economy and other smaller Pacific countries. Fiji is large enough." Another reason given for embracing macro models seems to be a belief in the rationality of such models for planning. As the chief Vanuatu planner has put it, "I am in favour of the use of a macro approach . . . Planners should refer to some empirical or theoretical model. In Vanuatu we have specifically referred to one such model, which is an empirical model base on Pakistan, Israel, Greece, South Korea and so on . . . Economic planning is more than just programme and project planning. If we neglect the macro relationship, we would be omitting an important dimension. I don't agree with the exercises of the smaller countries only in projects and programmes." On the whole, there seems to be a relationship between the perception of the desirability of macro approaches and the degree of economic development. The present interviews indicate that macro approaches may be less useful or less effective in less economically advanced Pacific countries than, for example, in Fiji, which is the most advanced country. Therefore, the larger the country in terms of population and resources, the more likely the usefulness of macro models.

Macro approaches have not, however, been accepted uncritically. Certain reservations have been made and even doubts have been raised about the desirability of macro models for small developing states like the Pacific island states. In the phrase of a planner from Tonga quoted above:

> . . . weaknesses in our planning have not perhaps been without a reason; one of them is a macro approach to planning. First of all, I am somewhat apprehensive about the new idea of comprehensive planning, including macro planning. I am not sure whether this is actually an appropriate planning tool for a country the size of Tonga. If you are talking about millions of people in a country, you just have to do such planning. The various characteristics balance out one another and you come out with a reasonable forecast. Secondly, if such planning is to be effective, you need a good data base, which they certainly did not have when they did DP3. OK, the data base has improved since then, but there is still much need for improvement. I am also reluctant to say that DP4 projections are very realistic. Really the whole problem of macro planning comes down to the question of suitability of this approach. This gives us some indication, but to say that "our future growth will be 5.7%" realistically makes it necessary to put in a number of question marks. . . My feeling in a country of the size of Tonga is that what should have been

strengthened in both DP3 and DP4 is concentration on actual project and programme planning rather than macro planning. On the basis of detailed project and programme planning there is some point in making projections or forecasts of the gross domestic product.

Although a similar argument (supported by much literature on development planning in smaller developing countries) has not been explicitly used by other Pacific planners, the actual practice seems to indicate that in most Pacific states macro planning has been used only in a limited way and that the bulk of planning activity is focused on programmes and projects. This is supported, for instance, by the experience of Vanuatu and Western Samoa. In Vanuatu, despite a strong commitment by the planning office to model making, a leading planner quoted earlier admits that there is no special unit established to deal with macro planning and that "we focus on projects and programmes. The macro approach," he adds, "has a certain usefulness to show the flow of money, how much we can benefit from the tourism industry, and so on. But we do not go more deeply into it . . . What we essentially focus on in our planning is project and programme planning and coordination of aid." Similarly, it is stated in Western Samoa that "Our planning has been largely quantitative only in the sense that we get proposals for projects, put them together and coordinate them and then have them set up as targets for development. But they lack a specific quantitative reference."

Characteristically in Fiji, where the use of macro approaches seems to be most effective, the possible difference between macro and micro sectors is minimized. A close cooperation of macro and micro planners, such as through the formation of teams of planners composed of both, is emphasized and the gap due to the use of macro and micro approaches is said to be "marginal," merely a matter of different perspectives. The two perspectives are viewed as complementing one another. As quoted earlier, "[macro planning] is not looked at in isolation. Not all is just macro planning . . . We prefer to look at planning in terms of clusters or functional units, each contributing in its own way. Macro and micro people working together in clusters. Ideally they would complement one another." Or a comment made in Fiji on the gap between plans and reality generated by excessive emphasis on macro-economic planning: "A very marginal gap perhaps. In my own area of macro planning there is a very arbitrary distinction between whether to include something as sectoral or as macro. In macro planning, the more economic type of planning, you look mostly at magnified effects, which you don't do if you only look at sector by sector."

Given the existence of macro models in all Pacific countries, the question arises how to increase the usefulness or relevance of such models. The answer to this seems to depend largely on whether planned targets have been met, whether original predictions have proved to be reliable. Hitherto, such reliability has been largely lacking. This is because of lack of prerequisites for rational macro planning, frequently mentioned in the literature on planning in the small developing states. More specifically, two obstacles to effective macro planning have been given emphasis, a lack of availability of a "good data base" or statistics and a lack of sufficient and competent staff, knowledgeable in the use of statistics, which are present in all Pacific systems (with the possible exception of Fiji). In Tonga, for example, the failure to plan DP3 effectively is ascribed partly to "the lack of adequate and reliable data for the construction of a macro framework" (DP3, p. 1). In Samoa, a national planner declares that up to DP4 "it has not been possible to plan quantitatively largely because of lack of proper statistics. There are no macro analyses and specific growth targets." A similar complaint has been voiced by a Vanuatu planner quoted earlier, according to whom "the problem is that we don't have national income accounts and in balance of payment we have only trade accounts recorded and capital accounts are not well organized . . . So basic statistics were simply lacking when we were preparing our first five-year plan."

Attempts have been made in all Pacific states to improve the conditions necessary for effective macro planning, particularly by strengthening the statistical base of planning. (See the section on Statistics.) In the phrase of a Samoan planner, "we apply more and more modern techniques of evaluation and macro analysis. And as the interest in statistics is being developed, planning will become more quantitative." Or in Vanuatu, "If you look at our first five-year development plan [starting in 1982], Part I covers the policy framework and macro framework. So we have tried our best to utilize macro relationships. More macro variables will be used in the second plan."

A significant step towards improvement in macro planning has also occurred in the organizing of this activity. This involves the move to form macro-planning committees whose membership comprises all the major government departments rather than a solo performance by national planners. This move gives recognition to the need for effective coordinating of macro-planning activity, apart from making the exercise of macro planning more meaningful to all participants in it and so, presumably, more effective in practice. One example of this is the setting up

of a Macro Planning Committee in Fiji, mentioned earlier, whose task among other things is, according to one Fiji planner, to keep track of "where the economy [is] going and to decide how much money the economy could afford to spend for the budget, or how much we should be jacking the economy to stimulate growth, and to set an overall guideline for the budget."

The increasing acceptance in the region of macro approaches should be perhaps explained. It seems to owe its existence to at least three factors which may be interconnected. One is the transfer of technology from more advanced management thought through international consultants or experts in planning, hired to introduce development planning in the South Pacific. This technology involves an extensive use of macro models. The second is the belief shared by Pacific planners and national leaders that more comprehensive national planning, using macro approaches, is the most effective instrument of economic modernization, which they both claim to be after. The last factor seems to be the consideration of external aid. Arguably this exercise is expected from the new states by prospective aid donors on whose good will and support these states depend so much for financing their development. The ability to present one's case for development in a more sophisticated, quantitative way seems to indicate a more advanced, more scientific, and so more credible, orientation in a country's pursuit of national development.

CHAPTER 6

DEVELOPMENT BUDGETING

Development budgeting plays a crucial part in national development and planning. In the context of developing areas it involves an attempt to bring about accelerated development by deliberate fiscal or budgetary means. It is expected to play a supportive role in the pursuit of the broader, long-range objectives of national development. Effectiveness of developing planning systems is said to depend to a large extent on the effectiveness of their development budgeting process.

The principal characteristics of development budgets or budgeting will be briefly described. First, development budget is separate from recurrent budget, although the two are closely related. A neat definition of the two budgets, suggesting their difference, is offered in Tonga's DP4 (pp. 64 and 78), which states that the recurrent budget "provides for expenditure of a recurring nature (other than that financed from external aid) and new capital items of a minor nature. The recurrent budget also presents estimates of revenue for the forthcoming year." While the development budget "comprises all the major items of capital expenditure by the Government. Small capital expenditure of less than T$600 as well as replacement of capital items (unless financed by aid), however, are included in the recurrent budget." For administrative/organizational purposes, the development budget follows a certain format. In Tonga, for example, it is divided into sectors or different categories of expenditure, such as administration, social and community services, economic services and infrastructure.

Second, development budgeting has important implications for recurrent budgeting. An increase in development budget is likely to affect the recurrent budget in the same direction. This is reflected in budget figures in the South Pacific, which indicate, in all the countries surveyed, a growth both in development budget and recurrent budget. This is not surprising, for items that have been introduced as capital expenditure in one year tend to involve new maintenance costs or recurrent expenditures in the future, e.g., construction of a hospital involves a permanent increase in expenditure for health services, as doctors and

nurses and other facilities have to be provided and maintained. Another example of this is the impact of development expenditures on the current budget due to increased foreign aid. Such expenditures may greatly augment recurrent costs, which the government may be unable to meet because of its low recurrent revenue capacity. This situation is described in Tonga's DP4 (p. 71):

> The main issue posed in the recurrent budget during the DP3 period was the burden induced by increased development expenditure. The advent of foreign aid on a large scale has imposed higher recurrent costs which the Government must meet if the momentum of the development effort is to be maintained. The high rate of growth in recurrent revenue has not been sufficient to off-set the rise in expenditure with the result that the accumulated deficit in the Third Plan period was almost T$1.4 million. This in turn depleted the Government's reserve and reduced the options open to the Government.

Third, development budgeting also has important administrative or organizational implications. It tends to increase government services in support of development activities and so the scope of public administrative systems.

Questions that arise in connection with the organization of development budgeting are the following: When did your system of development budgeting originate? How is it defined and what is its overall orientation? How is it organized? Are or should such functions be placed under the Ministry of Finance where all budgeting has traditionally belonged? What is the impact of one budget on the other budget? Is there any involvement of the central planning office in recurrent budgeting? Who prepares development estimates? What are the major problems arising in this area and how are they overcome or minimized? What are the strategies in use? Are there conflicts between national planners and Treasury officials regarding budgeting functions? What is the practice in these respects in Pacific planning systems?

The reference to conflicts or tensions between planners and budgeters is not accidental. It is frequently found in the literature on budgeting in developing states where it is identified with differences of orientation in these two activities. Planning is said to involve a more expansive future-oriented outlook of fiscal policies, while budgeting is identified with more orthodox fiscal thinking associated with the idea of reduction of cost and prevention of overspending. These two orientations seem to pull the budgeting process in different directions.

These are some of the answers received from Pacific planners to questions on development budgeting:

> In Fiji all budgeting is consolidated under the Ministry of Finance, but it is a standing directive from cabinet that the Planning Office is an equal member of the Budget Coordinating Committee in relation to the plan, so in that sense we participate in budgetary planning. To put it differently, development budgeting comes under the Ministry of Finance, but decisions take place at the committee level. There are several institutional means to effect coordination, like the BCC, as well as less formal ways tending to reduce disagreements.
>
> Capital budgeting and recurrent budgeting are not dealt with by separate ministries. They are all under the Ministry of Finance, but there are two separate documents. The CPO does play an important role in the capital budget but ultimately this comes back to Finance and is presented by it. Still, I would say that the function of CPO is more than advisory. The CPO makes recommendations and they are normally accepted as far as I know, or at least they are put to cabinet. Should there be a difference of opinion between CPO and some ministries, the issue would be pushed up to a higher level, ultimately to cabinet. However, it is hardly conceivable to have serious conflicts because CPO, which has always been a part of some highly influential ministry, is in a strong position . . . I suspect, before any major conflicts would arise, problems would have been resolved.
>
> Basically, the budgeting system was inherited from the colonial government and involved in a very control-oriented budget. It was not a development-oriented budget. The budgeting system has changed however. In 1981 came the new format of the budget document. We were fortunate to have a very good expert and the system seems to be working reasonably well. It involves also zero-based budgeting, which, I believe, is used only for certain projects whose operations may be in question. Obviously we don't do zero -based budgeting on every project every year.
>
> [Fiji]

Certainly we do have problems between planners and the Treasury, but the tendency is to resolve them. For instance, when we are in the planning

stage of programmes and projects, we have a continuing dialogue with the Ministry of Finance. Sure, it does happen that we don't come to mutual opinion or agreement; but this is as far as we can go, for after all to pursue a certain policy is essentially a political decision. We are only a technical department, the same with the Ministry of Finance. So if we have issues on which we agree to disagree, we identify both opinions and put the case to political leaders for their decisions. They may then prefer a trade off or our planning position or some other position in fiscal policy.

Our office is also involved in recurrent budgeting. This is a policy that has been incorporated in DP4. At this point of time, however, we don't have the capability to get involved in the whole recurrent budget preparation because this would involve a huge exercise. One problem in recurrent estimates is that once a certain expenditure item is included in the budget, it is carried on year after year. And then, let's say three-four years from now, the purpose of the expenditure is forgotten, whether or not the need for it still exists. For instance, you need to open a new position today in order to solve some urgent problem, but, once this approved, it persists unquestioned because of the normal bureaucratic process. Nobody reviews such positions. They may be redundant because the original problem has been solved or solved itself, but the process goes on, just by the weight of habit.

We perceive the need for more basic reviews of the recurrent budget as one of our major tasks, but considering the limited resources of our office at present, such reviews would stretch our capabilities too far. Accordingly our involvement is more modest. We review particular project proposals submitted to us by the ministries or government agencies and then pass them on to the Ministry of Finance for assessing their impact on the recurrent budget. When such proposals reach the approval stage, they comprise a clear statement about their annual cost of operation once they are completed. For instance, when a project involves a hospital, it includes the cost of the addition of three more nurses and three more doctors to the present cost of running the hospital, for their salaries have recurrent cost implications.

Development expenditures are essentially capital investment expenditures. For instance, in the case of a hospital, they cover the cost of constructing and equipping the hospital. Once this is completed, all operational costs, including the cost of staffing, fuel, material used, etc., come out of the recurrent estimates. In planning a project we should consider the government's capacity to carry such operating costs in the future.

Development estimates are prepared jointly by the Central Planning Development and the Ministry of Finance. This is how it works: the ministries or departments send to us, and to the Ministry of Finance, their requests for development funds for a certain fiscal year. Both we and Finance review such requests and then sit at one table and discuss them. Subsequently we call in representatives of the agencies that have made these requests. The three parties involved will then come to a decision whether to include or exclude the requested projects. All this work is done before the original proposals go to the Development Coordination Committee. We do this budgeting on project by project basis, bearing in mind the appropriate sectoral allocations and criteria as laid down in development plans. Then we put the proposals together as a development budget.

Q: So you are really dealing with concrete projects and programmes, not with macro-concepts or economic abstractions? This type of budgeting is, then, really project or programme budgeting?

A: Yes, that is correct.

[Tonga]

In this country (Vanuatu) theoretically there is only one budgeting authority; all budgeting is done by the Ministry of Finance. However, it is not clear legally who should be responsible for the development budget. At the moment the Ministry of Finance prepares the recurrent budget and includes some projects of developmental nature. Most of the development budget in Vanuatu, however is funded by development aid, so the best qualified office to deal with it is the planning office which looks after aid.

There are problems of the impact of development budgeting on recurrent budgeting. But we foresee such problems and try to resolve them through committees. A committee was formed just a few weeks ago called the Budget Priorities Committee to deal with them. At the moment it is ad hoc, but it should become a permanent body. Its members are: the first secretary of the Ministry of Finance, Accountant General from the Ministry of Finance, Director of Public Service Department, and Director and Deputy Director of our office, five members.

Yes, the separation of the budgeting process into two causes some problems between planners and the finance people. It is widely known that there are many cases that fiscal authorities are conservative while planning authorities are expansionist and optimistic. On the other hand, this may be a healthy and sound practice, to have these two authorities keeping each other in check and balance . . . Yes, we have had an experience of such conflicts, but not on a large scale, not so serious. Before we approve anything, we have preliminary discussions with them. This is done more or less on the basis of contact of one ministry to another. We discuss proposed projects with them, see those who are responsible there, consider the effect of such projects on the recurrent budget, the government's priority and so on.

[Vanuatu]

The findings of this section, based on the review of development documents and interviews of planners, indicate certain trends and developments in the organization of development budgeting in the South Pacific. These may be summarized as follows:

First, the budgeting system has undergone a change in its orientation and its format. The earlier budgeting documents were not clearly related to national planning. They involved control-oriented budgets, focused on the propriety of government expenditures and on fiscal economy during the fiscal period at issue.

While more recent documents involve 'development-oriented' budgets. The shift towards the new orientation is reflected in the emergence of development budgeting as well as in the adoption of many advanced concepts and techniques of budgeting such as the zero-based budget, although this is applied only in a limited way. The subsequent argument focuses on the organization of developing budgeting which has become a major part of the budgetary process in all Pacific states and crucial to their pursuit of accelerated development.

In most Pacific states the organization of development budgeting is the resposibility of the Ministry of Finance; alternatively there is some joint institutional arrangement involving finance, planning or other leading central agencies to work together in this area, usually taking the form of committees, entrusted with the task of making decisions and recommendations on all matters pertaining to development budgeting. In Vanuatu, however, budgeting for development is the planner's responsibility. Arguably this may be due partly to the availability of competent staff in the planning office, partly to dynamic leadership exercised by that office. Even in Vanuatu, however, a certain modification has been introduced into the existing practice in order to rationalize the budgeting process, involving the setting up in 1982 of the so called Budget Priorities Committee. Thus committee reviews, both recurrent and development budgets, are composed of equal representation from Finance and Planning (2 members from each), and the Director of Public Service Department. This suggests a tendency to converge planning and financial functions in the process of national budgeting.

The use of special committees has become a universal practice at least in the countries surveyed in this study. The shift from strict specialization of functions of a formation of committees seems to be preferred because it allows more intimate coordination of development activities at different stages of the budgeting process, more concern for implementation and a better use of limited resources, including technical staff, information or actual experience. Such special committees involve different coordination arrangements, some of which are described in the section on Coordination.

The relationship between national planners and finance officials is another important aspect of the budgetary process. It is in the interest of smooth running of the budgeting system that both these parties understand each other's role in this system and coordinate their respective contribution to it. Reality however, suggests periodic tensions, if not conflicts, between the two due to divergence in

their basic outlook, the planners reflecting an expanionist view, the budgeters an economy-conscious view of fiscal policy, focused on prevention of overspending. This topic has been treated extensively in the section on Coordination. It is sufficient to say at this point that some disagreements on planning and budgeting are inevitable, as priorities have to be identified, on which there is unlikely to be a general agreement. Our interviews indicate, however, that such disagreements usually "are not on a large scale and that they tend to be resolved before becoming major issues." At any rate, as major issues they would be subject to a review by higher political authorities which would make the final decision.

A major issue generally recognized is problems caused by the impact of development budgets on recurrent budgets. Capital expenditures incurred today are likely to have lasting implications for future recurrent costs. They may result in a heavy burden on the economy by adding new costs to recurrent budgets and in causing some loss of flexibility in fiscal policy because such new costs tend to involve fixed amounts, so reducing the chance for more dynamic conduct of fiscal policy in the future. Also a point is made that such expenditures may be redundant after some time, as the reason for their existence may no longer exist. Yet they tend to persist unquestioned, a permanent burden on national budgeting, long after the reason for them has been forgotten, just "because of the normal bureaucratic process . . . by the weight of habit."

Many Pacific planners seem to be prepared to go further than merely trying to keep development budgeting under control to prevent its adverse effects on recurrent budgeting. They want to have some say in the process of recurrent budgeting itself. For instance, some advocate "basic reviews of the recurrent budget", claiming that this is "one of our major tasks." Presumably this would counteract the tendency of recurrent budgets to grow to unnecessary or undesirable size and become unduly rigid in their operation. Some advocate more explicitly a deeper involvement of planners in the process of recurrent budgeting. According to them, hitherto such involvement has been modest, but only because of limited resources in staffing and other facilities available to their office. It is implied that interest on their part has not been lacking.

Finally, our findings indicate the prevalence of a particular approach to the area of development budgeting in the regional countries. In most countries this seems to involve a micro rather than a macro method of analysis of this activity.

That is if it can be generalized, the Pacific experience indicates that in practice development budgeting is conducted "on project by project basis" and that it involves "concrete projects and programmes, not mere macro concepts or economic abstractions;" in its essential form, it is identified with "programme or project budgeting." However, macro planning is also utilized and appreciated. This point is developed further in the section on Macro Planning.

CHAPTER 7

EVALUATION

This refers to assessment of performance, in the present context, to the various methods or techniques used in the South Pacific for measuring the effectiveness of development plans and planning activities. First, evaluation involves assessment of performance of development plans at particular stages of their implementation and is meant to find out whether this has been credible, whether the original targets have been met or some obstructions have appeared in the process of implementation. Secondly, evaluation involves assessment of development programs and projects or policies. These are examined for their economic feasibility and their conformity with national goals or objectives as prioritized in development plans.

The importance of adequate evaluation has been recognized in all systems of national planning in the South Pacific. In Tonga, for example, "the disappointing performance of DP3," where the overall output of the economy was lower than forecast despite the fact that government development expenditure had exceeded the plan target by some 8 percent, was blamed in DP4, at least partly, exactly on "the failure to fully evaluate projects" (p. 3).

Evaluation is closely related to implementation and monitoring. Indeed, evaluation may be viewed as a technique used in implementation and in monitoring projects. Sometimes it is associated with reviews of development plans or projects. Thus a clear distinction between evaluation and monitoring or reviewing cannot always be made. For example, sometimes our respondents refer to monitoring, sometimes to evaluation of on-going projects, as one seems to involve an element of the other. Similarly review exercises seem to involve both these functions. (Therefore in this study they are included in two sections, either on Monitoring or on Evaluation, depending on the focus of the argument.) Some such broad treatment of the concept is reflected, for instance, in Fiji's DP8, which contains a chapter entitled "Implementation and Evaluation". This deals not only with the organization of these two functions but also touches on monitoring and on reviews of plan implementation (pp. 78-82).

Certain procedures are usually followed in connection with evaluation of projects. In Solomon Islands, for instance, (see DP 1975-1979, p. 70) evaluation of smaller projects or of those which involve repetition of previous successful projects is normally carried out by the proposing ministries or local councils, while larger and more complex projects are evaluated by the Central Planning Office in collaboration with the Ministry of Finance and the proposing ministry or council. Also it is proposed to give basic training in project evaluation to ministries or local council planning staff, and 'a simple checklist' has been prepared to facilitate evaluation. The Planning Office is expected to provide guidance in such technical matters as discount rates, inflation indices and other economic aspects.

There are several questions that may be raised about evaluation in the context of planning organization in the South Pacific. What constitutes this activity? Who does the evaluating and how is it done? What are the main constraints on evaluation in development planning? Have attempts been made to enhance the capability for effective evaluation? These are some of the answers obtained in the interviews:

> Evaluation is undertaken after a project has started, as we need a continuous feedback on its progress.
>
> Evaluation practice refers first to development plans. We prepare annual reviews or reports. We used to have mid-term reviews but these were abandoned. It was perhaps felt that mid-term reviews involved too much work. With an annual review we hope the workload will diminish once we start the system. This also makes things more tractable, for some targets go over to the next year. Evaluation also involves projects and programmes. We have a new unit to deal with this, which started only at the end of 1982. It is meant to strengthen project and programme evaluation. Part of the task of the unit is to develop an effective process of evaluation.
>
> We have always recognized project evaluation as an appropriate role of the CPO. I don't think I am going too far in saying that in the past there was very little capability in project evaluation. This is something which has been tackled only recently, in the last couple of years. They now have a project planning team ... Project evaluation has always been recognized as a weak point ... Evaluation of development plans has

improved; they are now trying to produce more regular yearly reviews. While in the past there was only a plan and a mid-term review towards the latter part of the plan, for DP6 and for DP7.

[Fiji]

In Tonga the main constraint on effective evaluation is manpower resources. Our office is very limited to do project evaluation. The difficulty is that we don't have the capacity of doing a thorough evaluation of projects. We tend to evaluate only major projects. Often we have to get consultants to do it for us. We just review their study and see whether it is realistic or whether the assumptions made are right, things like that. For our big projects, aid donors usually ask for a feasibility study. A number of examples of this can be given: One, starting this calendar year, is a five-million dollar wharf project. Or a fishing harbour and a telecommunications system project. But when it comes to social services, evaluation becomes very difficult. It is difficult to determine the economic value, say, of a hospital or a primary school.

What we call 'evaluation' in the case of smaller projects may not be the right term. For a smaller project to be approved we see what it is all about, that basic planning has been done properly, and we see to it that it conforms to the policies and strategies outlined in the five-year development plan . . . With minor projects ($10,000 - 20,000) we use common sense, but projects with a big budget need evaluation, e.g., a banana scheme, feed mills, fisheries development, etc . . . Evaluation comprises basically a cost-benefit analysis, a consideration of a project's potential and its revenue for the market.

We also look into the capability of the party undertaking a project. For instance, in the case of a construction project we would certainly check with our Ministry of Works whether the party at issue has the capabilities to construct it, whether their resources are adequate, not tied up elsewhere. Also, we try to look at what happens once projects are completed, whether the government will be able to carry the operating and maintenance cost of such projects. If we build a new school, do we have funds to maintain it and to pay teachers? That is one of the things that was not paid enough attention to during the DP3 period.

In Tonga we don't have a separate unit dealing with evaluation. We have basically sectoral economists, one for agriculture, forestry and fisheries, one for infrastructure and one for social services. At the same time, they act also as project economists within their own sector; they are thus familiar with problems encountered in implementation and with the data base available. So I would say that they should be able to do more realistic project evaluation and planning than someone who is detached from day-to-day implementation problems. Very often it is exactly such problems - they may be administrative, in shipping, getting the necessary equipment and the like - which are the key difficulties in implementing projects.

[Tonga]

In our office we evaluate every application that has been received . . . Evaluation is always difficult, but some of it is more or less routine. It depends on the magnitude of projects. We have a definition of major and minor projects. Major - roughly $300,000 is the cut-off point. Such evaluation is usually done by experts, e.g., those provided by UNDP.

We look at all projects. Some projects are pretty straightforward and plain sailing; there is no need for an in-depth evaluation of them. But if there is a need for an in-depth evaluation, then we do it. Some projects are evaluated by particular ministries, but they are still sent to us. Our special interest is to make projects consistent with the objectives of development which are spelled out in the development plan. We deal with a variety of projects. Most of our applications come from private enterprise but there are also other projects set aside for government to implement which would qualify.

[Samoa]

Regarding our practice (in Vanuatu) of reviewing development plans. Our concept is that we want to evaluate on-going projects every mid-year. On that basis and through the new regional planning input, we formulate an annual implementation plan together with the development project and recurrent project cycle. This is presented once a year as an internal report. It comes out in September-October. The five-year programme is the main direction, but it is subject to change with changes in economic

structures and in the environment. So we have to modify it by adjusting it to changing conditions.

Our DP 1982-1986 is our first development plan in Vanuatu, but we shall be producing an annual plan as well. Towards the end of each year we'll have an evaluation done of the whole plan to see how we are performing, and we'll produce an annual plan setting priorities. As it is now, projects are not accorded priorities. We shall be reviewing the situation every year to see where our mistakes are.

[Vanuatu]

In the evaluation of projects (in Solomon Islands) the level of cost-benefit analysis is usually not very high because they are usually minor projects. However, all projects are appraised, even the minor ones such as water supply worth $5,600, to ensure that money is to be well spent. In this connection advice is sought from the various ministries interested in the project, e.g. Public Works, Health Department, Fisheries. In this sense the unit is really a coordinating body.

[Solomons]

A number of points can be drawn from the preceding argument about systems of evaluation in planning in the South Pacific. One is that there is a considerable affinity among these systems. Evaluation is conceived in the context of development and involves assessment of performance of development plans and government programs or projects. It is generally recognized to be a useful, even a necessary activity, for, in the words of one planner, "we need continuous feedback on the progress of projects." It is closely associated with the process of monitoring and reviewing of plans, which may be viewed as involving evaluation. There is also a general agreement that in the past evaluation was inadequate, as one planner has put it, "project evaluation has always been recognized as a weak point."

The argument also indicates that in some Pacific countries, e.g. in Fiji, a special evaluation unit has been established in the CPO to facilitate evaluation (and monitoring) of projects. However, this is not a universal practice, for most planning systems, although in need of effective evaluation, seem to be able to cope without such a unit. Evaluation units are usually justified by the need for more extensive evaluative facilities due to growing economic activities of government and more complex approaches to planning. On the other hand, many advantages

seem to result from the practice prevailing in some Pacific systems, where sectoral economists, each responsible for a particular sector, do the evaluation of projects in their own sector. Being familiar with implementation capabilities in their sector, they may be in an excellent position to make realistic judgements about whether particular projects are likely to work.

The argument also draws attention to constraints on evaluation and to attempts to develop a more adequate capacity for evaluation. Constraints on evaluation have been usually identified with the lack of "manpower resouces", i.e., a lack of adequate staff, and with difficulties of technical nature. Shortage of staff, for instance, tends to lead to shortcuts in evaluating projects, to superficial evaluation, which is likely to affect adversely the results of planning, as the experience with Tonga's DP3 noted earlier indicates. Attempts at improvement focus on evaluative capacities. These are conceived more broadly than in the past, when mainly inadequate manpower was emphasized. Evaluation now also comprises a consideration of the capability of the party undertaking a project, "whether their resources are adequate, not tied up elsewhere," of recurrent costs and of other relevant issues. Government capabilities to meet increased recurrent costs due to completion of projects is given considerable emphasis. This is reflected in the following comment by a planner from Tonga: "we try to look at what happens once projects are completed, whether the government will be able to carry the operating and maintenance costs of such projects. If we build a new school, do we have funds to maintain it or to pay teachers?" and he adds, "This is one of the things that was not paid enough attention to during the DP3 period." Other attempts at improvement involve more effective procedures (e.g., to simplify procedures by using a simple 'check list'), a variety of training seminars or courses in project evaluation for junior staff, the requirement that the central planning agency provide guidance to other government agencies in technical matters of planning, and similar innovations.

The findings also involve identification of the scope of evaluative functions. They indicate that evaluation of government plans and programs or projects is done not only by one government agency, but by many, and that not all projects are evaluated in an equal manner. For smaller projects 'common sense' evaluation appears to be the normal practice, while only bigger projects are subject to major scrutiny, which is usually done by the Central Planning Office. For evaluating the biggest projects, professional advice of international organizations is usually sought

or required. Some projects, however, are difficult to evaluate. For instance, as one planner puts it, "It is difficult to determine the economic value, say, of a hospital or a primary school." Most evaluation work is done by the proposing government agencies with the CPO only reviewing their findings in a general way, acting as an evaluator of their evaluation exercise. The particular role of the CPO is to assure the conformity of proposed projects with national priorities.

Finally, part of evaluation are reviews of the performance of development plans. According to a Vanuatu planner, such reviews are undertaken "to see where our mistakes are." The tendency in the South Pacific is to favour regular reviews on a yearly basis and to move away from mid-term plans reviews. An example of this is Vanuatu, where it is proposed to have annual "evaluation done of the whole plan to see how we are performing, and . . . setting priorities." A long-term perspective does not seem to be trusted, while a short-term perspective seems to give more flexibility, allowing to adjust the plan's targets and priorities, should that be necessary in the light of changing economic and other conditions. This point has been clearly expressed by one planner (from Vanuatu) who puts it as follows:

> The five-year programme is the main direction, but it is subject to change with changes in economic structures and in the environment. So we have to modify it by adjusting it to changing conditions.

CHAPTER 8

MONITORING

This is a device to make the process of implementation effective, to establish effective systems of control. As defined by our respondents, it involves "the supervision of implementation" and is "basically a progress review system." It concerns implementation of development plans, of programmes, projects or particular policies of government. Basically monitoring is a form of performance evaluation. Expressed most generally, it is a process of periodic examining whether on-going plans or projects have successfully moved towards completion, meant "to ensure that resources are allocated according to an agreed strategy and that they produce the desired end-results" (Tonga DP4, p.3).

Monitoring may involve a short or long-range process. Its use may be needed for a short time or may extend for many years, depending on the nature of projects. It ceases when the job at issue has been completed. An example of short range monitoring is construction of a school, where monitoring starts from the time approval is given to build it and involves a relatively short time to complete. An example of a long-lasting monitoring process are those agricultural schemes which, as our subsequent argument from Tonga indicates, take a very long time before they are considered to be fully operational.

In the South Pacific the importance of monitoring devices for successful implementation is widely recognized, but it is also admitted that the use of such devices has not been successful. At the same time proposals are made to improve the existing systems. In Tonga, for instance, DP4, published in 1981, expresses disappointment about the failure of the preceding plan to establish an effective system of implementation monitoring for development plans and promises to give greater attention to monitoring in the future. Two principal shortcomings are identified in the existing monitoring practice. One is the large increase in external aid which has kept planners busy administering aid with little time for monitoring; the second is the delays incurred by the Central Planning Department in staff recruitment, resulting in the inability of this department to operate at its established level throughout most of the plan period (Tonga's DP4, p. 3).

Tonga's Review of DP3 throws additional light on the nature of difficulties connected with monitoring, giving specific examples. (See Kingdom of Tonga: Mid-Term Review, Third Development Plan 1975-1977, CPO, Nuku'alofa, p. 53.) It is, for example, stated bluntly that the original monitoring practice of filling out forms every three months on all projects above $50,000, about 200 in all, has failed. Such forms were supposed to be completed by government departments, giving details of physical and financial targets and constraints. The main reasons why government institutions have failed in the application of the monitoring system are described as follows:

> Most Ministries/Departments do not have the skilled people with time to fill these forms in, and often, not understanding the planning process, have no inclination to do so. Hence, only a few forms were ever returned; these were usually late and thus useless for any remedial action. Further, many Ministries/Departments' accounting, recording and management systems are not organized in ways which facilitate the extraction of the information required. In fact then, for some of the institutions in the planning process, the concepts of DP3 were too complicated and the methodology used was beyond their reach.

At least two lessons are then drawn from this experience with monitoring. One is that before a monitoring system is likely to become effective "much education and extension work needs to be done by the CPO for the Ministries/Departments," another is that "A monitoring system must be reasonably simple, cover key projects, and be executed as far as possible by CPO staff" (Ibid).

Similar difficulties have been encountered in Western Samoa. (See Western Samoa's DP4, pp. 44-45.) There the anonymous writer complains in the last development plan that "At present there is no formal system of monitoring to ensure that development projects are implemented as planned" (Ibid, p. 44). There are only budgetary controls, exercised by the Treasury, but this, the writer states, "is not a satisfactory means of checking on physical process or - still less - project effectiveness" (Ibid.). Yet some form of effective monitoring system is increasingly more urgent as the development budget has grown to nearly 40 percent of GNP, becoming a very significant component of the national economy. In the past, some attempts at reform have made, the last being a proposal for Project Implementation Monitoring and Control System modeled on the Malaysian practice,

prepared in 1979 by a U.N. consultant. This proposed system has not worked, however, partially for lack of departmental cooperation with the Planning Department, but largely because not all departments maintain records which are compatible with it.

In Fiji, likewise, it is stated that:

> At present there are deficiencies in project identification and selection, in project design and feasibility analysis and in the budgeting and selection procedures. In many instances, projects are conceived, appraised and selected with little information in hand and on an ad hoc basis, resulting in arbitrariness in priority allocations. Feedback and monitoring systems within Ministries and departments are poor, and at the national level, exist in the form of mid-term Reviews of the Plan and in a limited way as part of the annual budget exercise. As a result, poor and in some instances inefficient use is made of limited financial and human resources, including aid (Fiji's DP8, p. 81).

Again, it is promised to rectify the existing unsatisfactory conditions. Proposals for improvement include increasing project identification and analysis capability in the Plannng Office ("in order to centrally coordiate project evaluation work and to assist ministries in doing this for their respective sectors") and organizing project analysis and planning capacities in the major government ministries. Also both these ministries and CPO will be expected to submit periodic reports on implementation of policies and development programmes. Other improvements involve the introduction of an annual review of plan implementation to be prepared by the Central Planning Office and closer cooperation of planners and Finance people with the Bureau of Statistics to improve the supply of good quality and up to date information (See ibid., pp. 81-82).

The Solomons' planners seem to be equally alert to the need of an efficient system of implementation monitoring. DP1975-1979 does not explicitly identify the shortcomings of the existing monitoring system, perhaps because the practice then was still in relative infancy. It does, however, spell out the requisites of a well-functioning system of monitoring. It is, for example, stated that "Successful monitoring and review requires regular collection and analysis of key facts, plus the capacity of direct extra resources to areas of stress or breakdown, and provide help to troubled operations - the trouble shooting function" (Solomon Islands' DP 1975-

1979, p. 71). The new focus in monitoring is a quarterly reporting system on "all government capital projects." This is praised as a valuable monitoring device, particularly for project managers, providing "a reliable channel through which they can draw attention to their needs, call up extra resources, and make sure that other projects on which their input or output depends are keeping pace with their own projects." To this the anonymous writer adds that "This aspect of monitoring and review is not yet understood in the Solomon Islands, but once the quarterly cycle is established its usefulness to operational staff will become apparent" (Ibid., p. 71).

These are some of the comments made by Pacific planners on implementation monitoring:

> One of the exercises we do in our work in relation to on-going plans is to continuously monitor the movement between the plan and the budget for divergence. We used to do a mid-term review of the plan (for DP6 and DP7), but last year we initiated a more regular annual review exercise. The idea is to continuously monitor performance, partly because of fluctuation in the economy. This can make the five-year development framework for the plan more reliable. Annual reviews become increasingly more important as you are getting to the later period of the plan.
>
> Sometimes it is objected that yearly review exercises take too much of our time, that when we finish one review, we have to start another. True, but when you look at it, the last exercise was a very major one because we did it for the first time; it has provided a solid base. From now on such reviews may not involve an equal amount of work. The review was particularly important because we try to develop and implement a comprehensive system of monitoring and to computerize data. Reviews that will follow become just an up-dating exercise. Later we can probe more into particular problem areas . . . the level of monitoring exercise is increasingly more important to us because our strength lies in the information we have.
>
> We have mid-term reviews and now annual reviews to make monitoring more regular. There are two reasons for changing to annual reviews: one is that because of the rapidly changing international situation (e.g. price fluctuation), a five-year term is too long. If you don't take account of all these changes, the plan becomes ridiculous. At best, the five-year plan is

a framework, allowing a macro-economic view. The other reason is that there are also changes internally, in the sectoral areas. Some sectors may be doing well and others not so well . . . In 1981, we had our first one-year review. Presently, instead of the 1982 review, we combined 1982/83 to have a mid-term review.

I think a monitoring system should be used to lead to re-direction. . . I don't think enough emphasis is put on interpreting the results of monitoring and, therefore as a result of that monitoring, on changing, modifying and re-directing projects . . . Of course, often we know about the problems, but don't really work out the response to them.

How do we collect information about projects? Each ministry or department is required to send regular reports to the Central Planning Office. We have a set format for this, laying out the required information, what they are aiming to provide, and assessment, financial accounting. In addition we carry out on-the-spot checks to satisfy ourselves. Government departments have their own monitoring and feedback on the various projects. In the context of the annual budgeting exercise, if departments are asking for more, then they have to give a lot of justification.

Reports submitted to us by the various departments involve certain problems. They are nearly always late and contain few detailed explanations on costs and progress. Also they are too general, without accurate physical and financial figures against which to measure progress.

In monitoring we have tried to improve our system. For instance, instead of a mid-term review we now have yearly reviews. We also have a data bank for all sectors. Information goes into data files which we keep up to date. In addition, we have a system for monitoring the implementation of major projects. Every three to six months we get a brief on what is happening with such projects.

There is, of course, more room for improvement. For instance, there seems to be a need for a more effective two-way communication system between government departments and the Central Planning Office. The CPO must make explicit the kind of information it requires so that operating agencies would produce the type of data and information that

can be used to evaluate plan progress. Also the format of reports should be simple and short and there ought to be strict adherence to the time limit for such reporting.

Appraisal takes place before a project starts, evaluation after it has started, as we need a continuous feedback on its progress. There is such feedback from the implementing to the planning agency. So far in monitoring we have relied on the ministries; they have been doing it themselves. Monitoring is a requirement.

Some time during DP6 they set up a recording-monitoring system which involved, I think, quarterly, even monthly recording of projects. It did not last. I think the system was simply too cumbersome and there were not enough people in the planning office to keep track of all the paperwork that was coming in on individual projects.

[Fiji]

Monitoring is actually the supervision of implementation. At the planning stage we really need to examine whether the government has the resources to fund the recurrent cost of projects when these are completed. This has been done in a number of cases. In fact a failure to do this is one of the reasons for the budget deficit, which occurs because projects are just implemented [without a serious consideration of subsequent cost] and require a large amount of money for their operation and maintenance, which is difficult to find.

This department has made two or three efforts to establish a project monitoring system, which basically is a progress review system, and our attempts have failed. There are a number of reasons for this: One is that we did not have the capability to actually implement the system. What must be realized is that once we set up such a system, even if it is very simple, it needs a very close coordination of planners with those who implement projects, let's call them project managers. The second reason is the reluctance of project managers or implementing ministries or departments to cooperate with planners because they don't see any benefit in it. Rather, they see it as an attempt to impose control on them, as interfering with their activities. They think that they have the technical

capabilities and we, the planning people, don't know anything about the actual technical implementation of projects.

What is necessary if monitoring is to be effective is to ensure that such a system is simple, that it involves up-to-date data and that we have a capability to support it. It is no use just to send our reporting forms and tell people to fill them out and send them back to us in two weeks' time. Nothing will happen if we do it that way. We need actually to go out and assist the managers in the preparation and filling out those forms and, what is more important, that we take follow-up actions. That means when a project is running into difficulties, we approach the project manager or whoever is involved in it and say "OK, how can we sort out the problem, how can we assist you?" Do we need a further negotiation with the aid donor or to coordinate activities with another ministry so that there is no interference or overlapping? Once this is done, I think project managers will realize the benefits of monitoring, that we support their activities and try to facilitate them. When they realize these benefits, I think they won't be as reluctant any more to continue with the monitoring system. Sooner or later the whole system will then gain speed and momentum and will be operating with little involvement from us.

The end of monitoring will be the completion of the project. There may be of course some projects that go on for years and years. Take a project to increase banana production. This could go on for a long time with such basic day-to-day activities as spraying banana lots or other activities such as paying subsidies, arranging for shipment, etc. But there would be other types of projects with a shorter time span, say, construction of a school. In this case monitoring actually starts from the time approval is given to build the school until the school becomes operational. From then on we don't play any role in it any more.

[Tonga]

Part of our work is progress reporting on projects. Granted that there is a burden on our staff, but these exercises are not necessarily meant to be performance evaluation of projects. They may be merely progress reports about projects and as such they may be of considerable usefulness. We would examine such factors as the initial cost of the project, how far the

funds allocated to it have been spent and left unspent, if there is any delay in the arrival of imported components and the like, all this with the view to improving the situation. Such progress reports do not really take much time to prepare; they are limited in their objective or coverage.

Whether we monitor projects which come to our section? At the moment, no. We have been having difficulties in monitoring our projects. The government has requested a U.N. expert to come in September to help set up our monitoring system. This expert was here recently helping to write up our development plan . . . In the paper which was submitted to cabinet for discussion this week we prepared new forms that would be required for monitoring purposes. I hope they will work.

[Vanuatu]

Monitoring is part of the activity of our unit. There is a highly organized system of monitoring which has been quite efficient. A standard checklist is used which is comprehensive. Each province has a PDF (Provincial Development Fund) liaison officer who has been trained to do this. He helps to fill out the checklist when a project is submitted to the PDF unit. This practice has improved considerably over the last 2½ years. Actually, monitoring in the unit is introduced right at the start of implementation. The practice is that project managers send in a progress report quarterly and when a project is, let's say, 20-30% completed, they send an interim certificate with a progress report reviewing all the aspects of the project. This applies to every single project. This keeps the PD liaison officers in the province quite busy.

[Solomons]

A number of generalizations can be made on the basis of the preceding argument about monitoring as used in the planning systems of the countries of the South Pacific. First, it is generally recognized that a sound monitoring system is essential for development planning. A success in monitoring is likely to increase the chance of successful planning, as planning and monitoring seem to go increasingly together. This is because planning has become more extensive and complex, which makes it necessary to keep tighter control over its performance if it is to work adequately and to be effective in achieving the desired objectives of development. Monitoring provides the necessary information or feedback to inform national planners or decision makers to what extent development activities have

been effective and draws attention to deficiencies of the existing planning and implementation system, which then enables them to take corrective actions. As one regional planner has put it, "the level of monitoring exercise is more important to us because our strength lies in the information we have."

Basically monitoring involves collection of information about projects and other development activities. The practice in the regional countries is that all departments submit regular reports to the Central Planning Office about the progress of their development activities. There is usually a set format for this prepared by the CPO. In some systems, on-the-spot checks are carried out to assess the monitoring practice in particular government departments, as most monitoring is done by them. Concretely, monitoring involves examination of a great variety of aspects, such as how funds allocated to a department have been spent, what funds have been left unspent, identification of delays in implementation (e.g., due to a late arrival of imported parts), and a host of other aspects.

The principal instruments of monitoring are progress reports. "A project monitoring system," as one planner puts it, "basically is a progress review system." The role of such reviews is to monitor performance or implementation of plans on a continuous basis or to detect deviations from government plans, "the movement between the plan and the budget for divergence." In the regional countries preference is shown for short-term reviews, mostly on a yearly basis (in the Solomons even on a quarterly basis) rather than for mid-term plan reviews which were used in the past. Argument advanced in favor of short-term reviews is that they are more realistic. They allow ready adjustments both to international and internal changes, which are often rapid, particularly in the international field, because of considerable vulnerability of Pacific countries to external conditions or economies. Internally, unequality of development in sectoral areas also has been cited, at least in Fiji, as causing instability. It is implied that the ability to deal effectively with such disturbances in the economy will improve greatly with early detection of such undesirable trends.

A survey of particular monitoring systems in the South Pacific indicates that these systems are still in relative infancy. In Samoa, for instance, it is freely admitted that at present a formal system of monitoring is lacking. There is a mechanism of budgetary control over spending exercised by the Treasury, but not a mechanism for measuring the physical progress of development projects. In

Vanuatu, in 1982, the planning office was still at the stage of setting up a new monitoring system, while in Solomon Islands this system, like perhaps most developing systems, appears stronger in seeking to define what should be done than in demonstrating how it is to be operationalized, this despite the claim of at least one local planner that the "standard checklist" used for monitoring is quite efficient and is comprehensively applied. Strong reservations about the effectiveness of existing monitoring systems are also found in Tonga's and Fiji's planning documents.

A host of specific reasons has been cited in the preceding discussion as accounting for shortcomings in monitoring systems. The prominent among these are shortage of staff, lack of absorptive capacity and defects in organizational, behavioral and financial aspects. More specifically, each country identifies its own adverse experience with monitoring systems. In Tonga, for example, three main aspects are identified as accounting for the ineffectiveness of the existing monitoring system: excessive administrative work in connection with a large increase in external aid, a shortage of staff and a general weakness of the monitoring process. The last aspect is given special emphasis and is blamed mainly on government departments. These are charged with being unable to fill the necessary forms correctly, with submitting them late, failing to understand the planning process, being wrongly organized in their recording and management systems (in a way that does not "facilitate extraction of the information required") and, even more, with failing to comprehend the basic concepts and methodology underlying the existing system. The last criticism refers particularly to the monitoring of DP3, where, as stated earlier, "the concepts . . . were too complicated for them and the methodology was beyond their reach." Tongan planners also single out the lack of cooperation by project managers as an important reason for periodic failings in establishing a project monitoring system. They are said to behave in this way because they "don't see any benefit in it [monitoring]" and think of monitoring as another form of interference with their activities from above.

A similar criticism of the monitoring system is present in Fiji. For instance, the old monitoring practice is assailed as inadequate and effective only in a limited way. It is said to be "too cumbersome," as "there were not enough people in the planning office to keep track of all the paper-work that was coming in on an individual basis." Elsewhere defects of the existing monitoring are identified with

such aspects as identification, design and budgeting of projects and the practice that projects are conceived and selected "with little information in hand and on an ad hoc basis." Or feedback and monitoring systems within departments are said to be "poor," so in some cases resulting in "inefficient use . . . of limited financial and human resources, including aid."

In many regional countries much blame for inadequate monitoring is placed on the ministries or departments. This focuses on the lack of departmental cooperation with the central planning agency and on divergences in their recording systems, which makes it difficult to introduce a neatly-organized monitoring system. Also the practice of progress reporting is subject to criticism. It is frequently contended that reports tend to be submitted too late and to be too general and vague to be of much value. They are said to lack detailed figures on cost and implementation progress, to fail to give "accurate physical and financial figures against which to measure progress."

A number of attempts have been made to remedy the shortcomings of existing monitoring systems in the South Pacific. The discussion contains a host of recommendations by regional planners as to how to improve these systems. One of these focuses on the practical aspect of monitoring activity. It is recommended that the monitoring system should be simple, should provide up-to-date or timely information and should cover only key projects if it is to be manageable. Another recommendation focuses on the need of follow-up action. This may involve the need to go out and assist project managers and others in filling out the necessary forms, which again should be simple in their format. It is anticipated that by doing this, problems due to lack of understanding of such forms will gradually disappear or will be reduced in force, that ideally, as one Tongan planner puts it, "Sooner or later the whole system will then gain speed and momentum and will be operating with little involvement from us." The emphasis on follow-up action also draws attention to the need of adequate feedback from the implementation agency to the planning office and of better coordination between departments and planners as well as to the desirability to get those who implement projects in the field involved in monitoring in a more active way than in the past. We have noted that in the past project managers were uncooperative, regarding implementation forms as "an attempt to impose control on them, interfere with their activities." A more positive approach would involve periodic consultation with them at different stages of implementation of projects. This presumably would get them to participate in

decision making and would make them clearly aware how to profit from using the monitoring system. Another recommendation focuses on the need of reliable data, including "regular collection and analysis of key facts." It is widely recognized that a strengthening of monitoring systems is impossible without a comparable strengthening of statistical capabilities.

Recommendations also focus on improvements in monitoring capabilities. The CPO practice in the past was largely to leave evaluation and monitoring to the ministries, in the words of a planner, "to pass the buck on" or "so far we have relied on the ministries." Granted that monitoring is part of the responsibility of government departments, this practice may not always be desirable, as these departments frequently do not have the capabilities to handle monitoring, as the criticism cited earlier indicates. Thus if monitoring by them is to be done adequately, its capability must be strengthened. At a higher level, it needs strengthening at the centre. Ideally, effective monitoring capabilities should be established both at the centre and in all major government departments.

More specifically, a number of improvements have been made or could be conceivably made in progress reporting. Examples given in Fiji of improvements that have been tried are: yearly reviews, establishment of a data bank and monitoring every three-six months for major projects. The point has been also made that progress reporting is not necessarily complicated or time-consuming when it becomes more frequent. It is argued that it does not take too much time, once the first review, which is comprehensive, has been completed. Subsequent reviews are limited in their objective and coverage, involving mainly a process of up-dating figures. Other improvements proposed to facilitate progress reporting involve better communication between central planners and the ministries, "a more effective two-way communication system," and the suggestion that the Central Planning Office provide a clear guidance to government departments as to what type of data it needs for the evaluation and monitoring exercise. Also, in several places the point has been emphasized that progress reporting should be "simple" and that it should strictly adhere to the time limit that has been set for it in particular programs or projects.

Finally, the role of monitoring is identified as a constructive one in bringing about a better type of planning and development. It is emphasized that monitoring should not be viewed as mere routine administrative exercise, but as a useful means

for remedial action or for triggering off further action in the direction of desired development. It helps to identify defects in implementation of plans and projects, which then allows decision makers to act more rationally by allocating national resources to where these seem to be most needed. As one planner quoted earlier puts it, "I think a monitoring system should be used to lead to re-direction." Subsequently the same planner recommends that there should be more "emphasis . . . on changing, modifying and re-directing projects." Similarly an anonymous writer in one of Solomons' planning documents praises monitoring for its "trouble-shooting function," that is, as drawing attention to the need to take fresh action to remedy defects in the implementation process.

In this connection, the capacity of monitoring systems to discharge such "trouble-shooting functions" is given prominence. In the words of the same Solomons writer, "Successful monitoring and reviews requires . . . the capacity to direct extra resources to areas of stress and breakdown, and provide help to troubled operations." But even if such a capacity is present, monitoring considered by itself may not be sufficient for effective implementation of plans or projects. There may be more basic defects in the activity of development planning. At least one of these may be identified at this stage. This is, as one planner puts it, that "we [may] know about the problems, but don't really work out the response to them."

CHAPTER 9

IMPLEMENTATION

This refers to the process of executing policies, programmes or projects after they have been approved by a legitimate authority. In the context of development planning, implementation has been increasingly viewed as crucial and also as one of the most difficult aspects of the policy-making process. There are certain prerequisites to efficient implementation which are frequently lacking in less developed systems, such as disciplined labour force, sufficient expertise, reliable statistical data, good communication or transport networks, and similar capacities. Yet if such prerequisites are lacking, the reliability of planning is likely to be adversely affected. As the leading Vanuatu planner has put it in the context of the South Pacific, "If we draft a workable plan, but the people involved don't work, the plan is just a piece of paper," or another Vanuatu planner, "It is good having a development plan, but if we can't implement it, it is useless."

How seriously is plan implementation taken in the South Pacific? How is it proposed to make it work effectively? A perusal of planning documents in the region indicates a similarity of problems and approaches in this area. Two Pacific countries, Western Samoa and Solomon Islands, have been chosen to illustrate this pattern.

First, crucial importance of implementation is asserted in both these countries. As a Samoan Government report puts it (in a chapter significantly entitled 'Implementation of Public Policies and Development Plans'):

> The process of hastening the pace of social and economic development through the formation of development plans and adoption of public policies is meaningful only when followed by plan implementation . . . [This] is essential to achieving a desired level of economic performance, to realizing social progress and to the adoption of sound economic policies which are pragmatic and relevant. The differences in plan formulation and plan implementation are vast. Plan formulation is an exercise of the imagination while implementation is a struggle with reality. The primary

> characteristic of implementing a plan is that it is a day-to-day administrative chore ... Implementation of a plan delineates the relationships between national goals and development results via systematic measures or steps directed at goal attainment. ('Western Samoa, National Goals, Development Priorities and Public Expenditure Policies 1975-1979; First Report of the 1975-1979 Economic Development Plan' , Department of Economic Development, November 1974, p. 96.)

A similar commitment to plan implementation is reflected in a planning document published in Solomon Islands:

> Without effective systems for implementing plans, planning itself is a waste of valuable resources, and plans merely delude those who read them. When the government has obtained the support of the legislature for its national plan, it is accountable for the implementation of it. In the same way the management of a company is accountable to the board of directors, and a traditional leader is accountable to his people, for implementing what they have been given authority to do. (Solomon Islands DP1975-1979, Vol. II, p. 66, Section 2, entitled 'Implementation'.)

Both countries express a deep concern about administrative problems (apart from economic problems) involved in implementation. Both make suggestions how to improve the existing implementation system. In Samoa, for example, at least three proposals for improvement have been made in the government report cited above (See pp. 96-97). One is to strengthen the link between budgeting and planning and the administration of programmes, in the words of the report, "coordination of plan programmes with the annual budget and effective administrative efforts by Government," for, as it is explained, "plan implementation requires that Government provide the requisite facilities and modify the prevailing system of incentives and disincentives." Another proposal is to provide systematic evaluation ("systematic tracking and performance procedures") to ensure that "activities being conducted are, in fact, emerging in the manner planned for." The third proposal focuses on the need for an adequate mechanism for implementation, such as adequate feedback, to enable administrators to identify economic opportunities and reveal production bottlenecks in the use of human, material and financial resources, as well as to avert imbalances among the sectors and regions and induce the dissemination and application of knowledge.

In Samoa, too, a need is recognized to institutionalize support for implementation at a higher level of the administrative hierarchy. This has led to the creation of the Development Planning Coordinating Committee which consists of the heads of government departments and agencies most concerned with project implementation. Two functions of this committee relate directly to implementation. One of these is "to examine obstacles to project implementation and facilitate an interdepartmental approach to their solution," the second is "to make a quarterly report to the FDB [Economic Development Board] on the implementation of all planned projects, and make recommendations concerning major deviations from the Plan" (Western Samoa's DP4, p. 45).

A similar concern for effective implementation is shown in Solomon Islands. Again, proposals have been made how to improve the existing system. DP1975-1979 (Vol. II, pp. 66-67) identifies at least four such proposals. One is that the system of implementation should be simple and inexpensive. Another is that every participant in this system should know what to do. The third proposal is that there should be a mechanism to foresee bottlenecks and areas of stress and devise workable solutions. Finally, there should be a mechanism for producing accurate, regular reports and for up-dating projects. Like in Western Samoa, a new organizational structure has been established at a higher level partly to deal with implementation. This is the Development Committee which has been created by the Council of Ministers under the chairmanship of the Chief Minister "to oversee all matters concerned with the planning and coordination of development" (p. 67), including implementation. In Solomon Islands, implementation involves also a political dimension. The earlier quotation in this section, for example, has highlighted political accountability for implementation. Another statement in the same document refers to the desirability of pushing responsibility for implementation "as far down the line as possible" (p. 66), which seems to reflect the country's concern for political and administrative decentralization.

Our interviews on organization of development planning have led to relatively few references directly focused on implementation. The reason for this is not that planners in the South Pacific underestimate implementation activity. Rather, devices used for implementation are dealt with under other topics, such as 'monitoring', 'evaluation', 'reviewing' or 'absorptive capacity'. Thus to obtain a broader picture of implementation, other relevant sections should be consulted.

The following are some of the points mentioned by our respondents on implementation in the context of planning:

> Plan implementation itself is the responsibility of the line ministries or departments. The Central Planning Office is in charge of control and monitoring in general terms.
>
> What are the major problems in implementation? Firstly, central coordination. Ministries are weak in this respect. Secondly, most ministries are not able to come up with good development projects. They usually have some ideas but these involve "top of the hat" costs. Thus planning becomes a very frustrating exercise for us, as capabilities for it in ministries are lacking. Thirdly, expectations are growing rapidly, but resources are not forthcoming.
>
> Our obstacles that cause delay in plan implementation? First, poor planning from ministries that want the projects to be implemented, which is reflected in the lack of detailed plans, output or productivity, manpower resources and various complementary infrastructures that have to be considered.
>
> Secondly, poor coordination between ministries concerned and the Central Planning Office, involving communication breakdown and disagreement on certain matters such as finance and procedural framework. Thirdly, sometimes when loans have to be approved there are certain negotiations held between the donor and us as to the conditions under which loans are payable, and even how loans are to be allocated. There are various hustles in this connection. Fourthly, the unexpected turn of events such as undue low international market prices, unforeseen climatic conditions such as drought, cyclones, etc., which unbalance the procedural framework of implementation.
>
> When ensuring implementation, we also consider the functioning of projects after completion. We build up a target for production level and look for markets. Hence, delay in projects can have the side effects of delaying production, for instance in export of such crops as coffee, timber, etc. Also, we can lose our markets. Basically it means extra expense on workers, more decision making and that other essential smaller

projects may suffer or have to be turned down because money is less and attention is poorer on these particular projects,

The range of problems is massive. The reasons why are many: a lack of initial planning, inadequate financing, understaffing, there can be natural disasters, shipping, marketing and a host of others.

For every project undertaken there should be implementation analysis done. Every project should be broken down to all events and activities and a full network analysis should be drawn up of what is involved in the project. In other words, there is to be a plan, a thoroughly worked out plan for each project so that we know exactly the order, the sequence, the state of activities that are involved in doing something. In that way, you can think ahead and foresee what is likely to happen.

[Fiji]

The capacity for implementation? Yes, that is the absorptive capacity: manpower, management skills, technology and so on. There is likely to be some limit in this respect if we implement many projects at the same time. So we need priorities. So far we haven't felt severe constraints in terms of absorptive capacity. This is of course only our first year of implementation, but as time goes on this is likely to become a problem.

I am more concerned about implementation than planning. In the planning exercise or drafting there are many experts available from U.N., ADB, World Bank and so on. Implementation is the key to the success of planning. Therefore I turn my attention to possible bottlenecks in implementation of plans. I think a major bottleneck is manpower constraint. If we draft a workable plan, but the people don't work, the plan is just a piece of paper. In this concept I include working ethics, motivation, quality of labour, management, technology, skilled labour requirement, etc. Also we don't have yet the necessary statistics.

Next year the National Planning and Statistics Office will conduct a manpower survey. Before that I have asked an ILO manpower adviser to set up a manpower data bank in the Planning Office. He will collect all available data. I want to link this analysis to future manpower requirements. And then the scholarship and manpower programme will be

all coordinated. I have volunteered to establish a manpower planning unit in the Planning Office. This should increase our chance of better implementation.

Apart from monitoring, another problem is implementation. It is good having a development plan, but if we can't implement it, it is useless. But how to make it work? I think what we really need is some kind of follow-up to make sure that our project is done. I'll give you a very good example. On my island there was a project involving construction of a wharf, a British-aided project. According to papers which we received in our office the project had been completed. But it so happened that one of our officers travelled to this particular island and when he arrived there he asked about the wharf. People in the area said: "What wharf?" There was no wharf. He found out that the money had been spent on something else. So we need some kind of follow-up to make sure that things really happen. For instance, if a road is to be made from point A to point B. In the project document it says that after six months so much should be completed. After six months someone should go there to find out whether that bit of the road has been completed and if not, why not.

[Vanuatu]

The preceding analysis of implementation in the context of planning in South Pacific countries has revealed a number of points. First, implementation is viewed as central to successful planning. All development plans in the region contain a chapter on it as well as frequent references to it. Indeed, it is increasingly recognized that it may be more difficult to implement development plans than to prepare them. As the chief Vanuatu planner puts it, "I am more concerned about implementation than planning," to which he adds, "Implementation is the key to the success of planning." The same point has been made in other interviews, that without effective implementation development plans are not much good, that they are "just a piece of paper . . . useless."

Second, plan implementation involves all government departments or agencies, as a Fijian planner puts it, it "is the responsibility of the line ministries or departments." The role of the CPO in it involves overall "control and monitoring in general terms" to assure conformity with national objectives as identified in

development plans or other government documents expressing government commitments.

Third, there are a number of major problems in plan implementation (referred to by one planner as "massive"), both economic and administrative. One of these is a lack of central coordination. This has been described as "poor coordination between ministries concerned and the Central Planning Office" and as involving "communication breakdown and disagreement on certain matters such as finance and procedural framework." Another such problem is a weak capacity for planning on the part of individual ministries sometimes referred to as "poor planning from ministries." This is said to lead to at least two defects, the inability "to come up with good development projects" and considerable delays in the implementation of plans. It is said to be "reflected in the lack of detailed plans, output or productivity, manpower resources and various complementary infrastructures that have to be considered." One planner identifies the reasons for such problems as "a lack of initial planning, inadequate financing, understaffing, ... national disasters, shipping, marketing and a host of others."

Other problems of implementation given explicit recognition in the inteviews are associated with the issue of manpower, monitoring and absorptive capacity and with politics, loan donors and unexpected factors. For instance, the impact of manpower on implementation is identified broadly, not merely in terms of sufficient staff as also including "working ethics, motivation, quality of labour, management, technology and skilled labour requirements." Or monitoring is viewed as an activity involving vigorous follow-up action to assure effective plan implementation and that original plan commitments are met. The lack of absorptive capacity is widely recognized as adversely affecting implementation, where such capacity is defined in a technical way, in terms of manpower, management and technology. The influence of politics in the context of plan implementation is given recognition at least in one Pacific country, Solomon Islands. In addition, loan donors are said to introduce an element of uncertainty into the process of implementation. Finally, a host of unexpected factors affecting implementation is identified by one planner as including "the expected turn of events such as due to low international market prices, unforeseen climatic conditions such as drought, cyclones, etc., which unbalance the procedural framework of implementation."

Fourth, a number of proposals have been made to improve the existing implementation system, in addition to proposals for administrative improvement of plan implementation mentioned in other sections of this study. (See sections on Monitoring, Evaluation, etc.) These involve, for instance, the idea of improvement of coordination in plan implementation by forming committees in which all major departments would participate (which already exist in most Pacific systems). Or the idea of manpower surveys to determine future manpower needs for implementation of government policies, which would include coordination of educational and manpower policies. Or the idea to establish a special manpower unit in those planning agencies in which such a unit does not yet exist, largely to keep an eye on future needs in plan implementation.

Another idea for improvement of implementation is to complete planned projects in time. The failure to do so is said to have serious side effects at the stage of implementation, such as additional cost and delays in production which, in the case of agricultural products, may threaten the marketing of such products. More specifically, such undesirable effects involve, according to one planner, "extra expense on workers, more decision making and that other essential smaller projects may suffer or have to be turned down because money is less and attention is poorer on these particular projects." Another point given is the need for implementation analysis, involving "a full network analysis" of all projects, or a plan which would allow us a rational prediction about the likely operation of such projects. As one planner puts it, "There is to be a plan, a thoroughly worked out plan for each project so that we know exactly the order, the sequence, the state of activities that are involved in doing something . . . In this way you can think ahead and foresee what is likely to happen."

The argument of this section involves at least one other proposal for improving the implementation system in planning. This is the proposal to prioritize projects. It is recognized that problems arising in implementation are likely to increase in the future with increased number and complexity of projects. If this happens, it is unlikely that planners will be able to deal with projects at the same time, as there is a limit to what they can do effectively. What is, therefore, required is to develop or improve the capacity of planning systems for implementation so that they may cope with the growing load of projects. Comments by planners indicate that such 'implementation capacity' should be

considered in connection with the initial appraisal of proposed projects as well as in connection with subsequent assessment of on-going projects.

CHAPTER 10

STATISTICS

In perhaps all developing planning systems the availability of adequate statistical data has become a prerequisite to effective development planning. Without adequate and accurate data allowing a solid assessment of reality, planning is likely to be inadequate and inaccurate. This is generally recognized also in the South Pacific. In the statement of a Tongan development plan: "An adequate statistical base is crucial if progress during the Plan period is to be monitored and matched against expectations" (DP3, p. 49), or in Fiji, "Vital to the effectiveness and efficiency of the whole machinery [of planning] are the gathering, processing and dissemination of statistical information." (DP7 p. 230). According to one Pacific plan (Solomon Islands' DP 1975-79, p. 49) these are two main reasons for this emphasis on statistics, first, "to gather and present the economic and social statistics" necessary to measure progress towards the objectives of development plans and, secondly, "to create a bank of general statistical information against which new objectives can be identified and specific research can be directed, and which can be of general use."

In the Pacific, statistical information is usually handled by a central agency established for that purpose and involves a great number of activities, such as population census, gathering economic figures for the preparation of a system of national accounts, gathering figures on trade, economic trends, employment or manpower, different types of surveys or censuses in agriculture, setting up rural statistical units (e.g., in the Solomons), establishment of births and deaths records, and other like activities in which data can be used for measuring the rate of a country's social or economic progress. In addition, there are also other sources of information such as individual ministries which provide information relating to particular sectors, e.g., education, agriculture, industry and health.

Statistical services in most Pacific states appear to suffer from a number of major shortcomings. Taking Tonga as an example, its DP3 states that "Statistics in Tonga are under-developed and provide an inadequate base for planning" (p. 48).

Major weaknesses identified, for instance, in the area of national accounts (where estimates exist only for a few years) are a lack of reliable information on the size of the total population, on the labour force and inward and outward migration, as well as a lack of figures on production and existing monetary trends (Ibid.). This "unsatisfactory state of statistics in Tonga" is then explained in terms of absence of a clearly defined programme for statistical development, insufficient staffing, both in numbers and skills required, and inadequate support facilities. Similar shortcomings are acknowledged also in Western Samoa's DP4, where it is bluntly stated that "The service currently provided by the Statistics Department is deficient," (p. 183). Two main areas are then identified as being particularly deficient, national accounts and agricultural statistics. "These deficiencies," it is added, have proved serious impediments to effective development planning."

Despite such shortcomings, progress in this area is recognized in the planning documents of all the states covered in our survey. In Tonga's DP4, for example, it is stated that "the increased data available at the beginning of the DP4 period has made it possible to quantify certain objectives and strategies in a way which was not possible for DP3" (p. 1). These improvements have occurred mainly in the marked movement from mere statements of desired projects towards more positive resource allocation; towards quantification of the desired sectoral allocation of resources; towards estimating the country's capacity to absorb investment and relating the level of assistance sought to the level of investment; and towards paying greater attention to more efficient use of all resources, paricularly foreign aid, which includes thorough evaluation of all proposed projects (Ibid.). It is also significant that even the less advanced Pacific countries have clearly identified their future objectives for statistical development and usually also the steps how to pursue such objectives. (See, e.g., the immediate "targets" of Solomon islands' DP 1975-1979, p. 49.)

These are some of the comments made by Pacific planners about statistics in their respective countries:

> It is very important that our office gets reliable, up-to-date information or statistics. We have already developed a good working relationship with the data processing people. But I would propose to restructure the system; I would like to see the Bureau (of Statistics) become a part of the Central Planning Office. Physically today if you want to get some data you have to run to the Bureau of Statistics.

Compared to some other developing countries, I think, our data base is quite good. But they might not always get to the people who can use them. People don't always realize their potential value. This is a more structural problem, not that people are stupid; rather not knowing how to use available data.

Statistics has always been a sore point. I was never very happy with the help received from statistics. About half of DP5 was oriented toward spelling out what surveys and what information should be developed in order to provide a base for planning, and I think from '68 to 73-74 there was a tremendous progress made when national accounts started. There were household surveys, census of industries, and so on. But at some point the Bureaus of Statistics, it seems to me, became more concerned with the protection of confidentiality of its sources than with providing information. Perhaps it had to do with personalities in the office. Yes, the access to statistics has always been a problem . . . Not much took place during the latter part of the decade, but I think there were improvements for the most part in the early '70s . . . We get our statistics from the Bureaus of Statistics and from the ministries. If there are problems in this area, we have been working on it at present trying to reduce them.

[Fiji]

In Tonga there is a Statistics Department which has existed for a number of years. Our association with statistics is traced mainly to the arrival of a foreign adviser who came to Tonga to set up national accounts to be used for GNP estimates and he was stationed in our office. There were basically two reasons for this. One, because we were the people most interested in macro economic data, and two, because of the operational arrangement for which the assistance was provided. This was a UNDP funded project called "Development Planning" and it included a statistics component, specifically a statistics adviser and a planning adviser . . . Considerable progress has been made in this area (statistics). We have now data on gross capital formation, investment, gross domestic product and national income with sectoral breakdowns. The national accounts system seems to be working well by now.

Of course, we cooperate closely with the Department of Statistics. We have hoped that they would compile data on the economy, but in some cases we assist them. For instance, we have just started a survey of shipping requirements in the Ha'apai group because internal shipping has been identified as one of the major problems. Just today we have sent a team in cooperation with the Statistics Department to Ha'apai to interview and survey wholesalers, retailers, farmers and passengers on the vessels and others to identify requirements for shipping, so that, based on these data, we can come up with detailed specifications for a vessel which we are requesting under aid. Yes, there is a close cooperation between our agencies.

Statistics surveys are a matter of funding. The only possibility for getting statistical surveys done is to obtain funds from outside sources.

[Tonga]

In Vanuatu we are improving our position on statistical information. For instance, in October this year (1982) we'll start an agricultural census, and a population census will be available by the end of this year. We'll focus attention on national accounts some time next year and also a manpower survey will be conducted.

We need statistics for planning. Without adequate data we would be working in the dark. We haven't got sufficient statistics and a lot is mere case work. But we have tried our best. Our present job is to develop a statistics unit in our office during this plan's period to produce the right information that will help us to draw up a development plan.

Statistics is not under our department, but it is a part of this office which is called the National Planning and Statistics Office. Until very recently it was the Bureau of Statistics.

[Vanuatu]

Certain conclusions can be drawn from the preceding argument about the use of statistics in the South Pacific. One is that the importance of statistical data for national planning is generally recognized. In the phrase of one respondent, "We need statistics for planning. Without adequate data, we would be working in the

dark." Reliable statistics should, for example, improve the process of planning by enabling us to qualify better development objectives and to evaluate such objectives for purposes of cost-benefit analysis. It has also considerable implications for aid project planning, as aid donors need reliable figures to account for funds spent on their project. Hence, much energy and effort has gone into this area to increase the necessary statistical capability for national planning. It may be noted that progress in statistical services has been registered in all Pacific states. Frequent references to this are found in development plans or government reports which tend to identify explicitly those areas in which statistical systems have acquired greater effectiveness.

Despite considerable progress, the present state of statistical services is still viewed by most Pacific planners as rather unsatisfactory and insufficient. As expressed by a Fiji planner quoted earlier, "statistics has always been a sore spot," or in Vanuatu, "we haven't got sufficient statistics; a lot is mere case work." However, statistical systems are not developed to the same extent in all Pacific states. As may be expected, Fiji is the most advanced of them, while others, particularly Vanuatu and the Solomons, are still at a less advanced stage. In the phrase of a Fiji planner, "Compared to other developing countries, our data base is quite good."

The findings also indicate a similarity of shortcomings in statistical systems in such matters as insufficient staff and skills, inadequate support facilities, lack of funds to conduct surveys (which usually have to be secured from outside sources), and so on. However, practice also indicates other kinds of adverse experience. For instance, one criticism focuses on the excessively 'protective' attitude of the statistics office which tends to invoke the principle of confidentiality as an excuse for not providing information. Another is the practice of providing the wrong type of data. In this connection our respondents refer to a lack of "the right kind of data for planning" and to the fact that statisticians "have not been producing statistics that are good enough." Another critical point made is that some people don't know how to use available data, which seems to imply a need for appropriate instruction and better communication. "Our data base is good," states one Fiji respondent, "but they might not always get to the people who can use them. People don't always realize their potential value. This is a structural problem, not that people are stupid; rather not knowing how to use available data."

Some variations exist in the practice of organizing statistical activity. If a generalization can be made, this seems to be that the more advanced and complex the statistical system, the more likely it is that it will exist in separation (or will separate itself) from the planning agency. This is perhaps not surprising, as in many cases statistical services were originally meant to serve primarily planning functions (and were given external financial support for that purpose), while at a later stage they came to serve other functions as well. This raises the more general question of the place of a statistics agency in the structure of government administration. Is it to be a body servicing mainly national planners or a storage tank of data for all government departments?

The argument as developed earlier indicates that, when the statistical function is separated from the planning function, certain problems may arise. Hence the proposal of at least one planner to restructure the statistical system in order to absorb it into the planning system. A compromise solution would be a special statistical unit located in the planning office to serve the needs of national planners. This would be close contact with the statistics office which would, however, retain its separate identify. Whatever institutional form the relationship between the two functions will take, it is evident that the importance of such a relationship for effective planning is fully realized in all Pacific states. Fiji's DP8, for example, emphasizes the need for close cooperation between the Bureau of Statistics, the Ministry of Finance and the Central Planning Office, insisting that such cooperation is "vital if relevant statistical information is to be gathered and put to good use" (p. 82). DP7 even more explicitly refers to the need for "close integrating" the two services "to ensure the maximum use of manpower and the collection of relevant and appropriate statistics" (p. 230). It may be finally noted in Vanuatu, where both planning and statistics exist on a somewhat smaller scale than in Fiji, this relationship has led to a 'marriage' of the two functions in one department under the name National Planning and Statistics Office, where the statistics component has replaced the former Bureau of Statistics. There is, then, not one way of organizing statistical activity which would be found ideal by all states in the South Pacific.

CHAPTER 11

FOREIGN AID

Foreign aid is a major concern for development planners because of its effects on national planning and development. In most developing states it provides a major support to development activities and so to economic modernization and is a crucial instrument for stabilizing the national budget. Not surpisingly, most developing states seek to attract maximum assistance.

In this respect, the states of the South Pacific follow the pattern of other developing systems. Figures indicate that, for example, in Tonga 97.1% of development expenditure during the period 1975 and 1980 was financed from this source (See Tonga's DP4, Table 6-2, p. 80). Or in Western Samoa 72% of the total development funds for the period 1980-84 is expected to come from overseas sources (Western Samoa's DP4, p. 42). Likewise in the Solomon Islands, where in 1975 British development aid alone financed over 80% of the government capital budget, "almost all by project aid grants" (Solomon Islands' DP 1975-1979, Vol. 11, p. 59). Sometimes, however, figures reveal decreasing dependence on external sources, increasing self-reliance. This is the case of Fiji where figures for foreign capital inflows as the percentage of the total national investment (gross fixed national formation) for the period 1972-1977 indicate a dramatic drop from the peak year 1973 with external inflow accounting for 52.6% of the total investment to mere 19.6% in 1977 (Fiji's DP8, Table 1.15, p. 14).

Foreign aid involves different arrangements between the donor and the recipient country. The Solomon Islands' DP 1975-1979 identifies basically three such arrangements (p. 59). The first is a bilateral country-to-country arrangement, which "involves direct relations with the aid donor, and is usually tied to the purchase of goods and services from the donor country." The second is a multilateral arrangement, undertaken through an international aid agency, which "is anonymous, but is commonly bureaucratic, takes longer to arrange and usually takes the form of highly-paid experts with substantial local costs." In addition there are "loans available under foreign aid programmes, with a wide range of

terms according to the nature of the project and the policies of the lending agency." (It may be noted that this particular set of definitions is perhaps less impartial, reflecting the sentiment of the authors of this document.)

Involvement of national planners in external aid tends to be heavy. It takes the form of processing requests for aid projects and of evaluation of such requested projects for their economic plausibility and their impact on the economy. It also involves identification and formulation of aid programmes, coordination of such programmes, monitoring their implementation, and their revision, should there be a need for such revision.

Several problems affecting planning arise in connection with external aid. One is organizational. Should aid functions be performed by the central planning agency or by some other government body? As many agencies are involved in aid, what is the best way of coordinating this activity? Another problem involves 'absorptive capacity'. Does the system have the capacity to implement such projects? The history of foreign-aid development is replete with projects that have failed exactly for lacking such capacities. According to Tonga's DP4, such capacity is determined by several factors: the infrastructure and resource base of the country; the availability of people skilled in planning, management and project implementation; and the effectiveness of the planning organization and of government administration (p. 84). It is implied that all these factors should be considered in making decisions on aid projects, for they are likely to be crucial to the success or failure of such projects.

Another problem identified is the divergence between aid projects and development objectives which militates against long-range planning. This calls for more discipline from agencies and aid donors to ensure that the allocation of external aid conforms to desired objectives of development. As Tonga's DP4 puts it,

> It is essential that this aid . . . be allocated according to the strategy of the Plan in order to make progress towards achieving the long-term objectives. This will require discipline, both on behalf of the Government and its Ministries and aid donors, to ensure that only projects which are fully evaluated and which meet the Government's development criteria are implemented (p. 3).

What is the experience with the organization of aid in the countries of the South Pacific? How do the central planning agencies contribute to this activity? Does the problem of absorptive capacity arise? How to improve the processing of aid? Answers given by Pacific planners reveal a variety of practices and of experiences as the following quotations indicate:

> In Fiji we are heavily involved in aid projects, for example, in their evaluation, because aid is seen as part of the budget. There is also an Aid-coordinating Committee which looks at aid projects.
>
> In 1977/78 the CPO had a section dealing with aid. We had 1-2 people working in this area. Then when aid expanded because of increased loaning activity the responsibility shifted to the Ministry of Finance. They have a small unit dealing with aid. There is also an Aid-coordinating Committee where CPO participates. So decisions are made collectively . . . The CPO is still very much involved in the work connected with aid projects, particularly in the evaluation of proposals. Mainly in the routine type of work.
>
> Until early 1980 most of the aid administration was handled within CPO which liaised with Foreign Affairs, but in 1980 the aid administration had grown into such a monster that it was taking up a disproportionate amount of central planning time. Many people realized that it was not necessarily a role the Central Planning Office should be involved in, to handle all the adminstration. So the administration of aid was moved to Finance. The adminstration section keeps a record of projects and statistics, but proposals, instead of going up as individual requests, I believe are now put together by a sub-committee as a whole package and then the package goes up for approval. Actually decisions with respect to aid were originally made by the Development Sub-committee whose task was to discuss papers having to do with problems related to development. I would say that much time was spent on discussions of aid proposals rather than planning as such. For this reason a coordinating committee was established to deal with aid which took some of the burden off the Development Sub-committee. It grew into a big thing because of a lot of aid kept coming in after 1970. This committee is composed of representatives from Finance, CPO and Foreign Affairs.
>
> [Fiji]

In Tonga, when aid is allocated, we would like to see it follow national priorities. I think the government would like to see the donors respond in a better way to the government's and people's aspirations rather than priorities being set by officials back in the headquarters of the donors' countries. Aid agencies have their own economists who are not familiar with the recipient country.

Absorption of aid can be a problem. The country frequently can't absorb certain amounts of aid in an effective way. First of all because of limited capacity to spend, but mostly because of limitations on human resources, whether in the process of planning or in implementation. We only have so many carpenters, so many engineers or whatever. The same is true in construction equipment. This may lead to great delay in implementing projects when you compare them to the original plan. Take DP3 which contains a large number of projects. Yet many of them have not been implemented partly because funding could not be obtained, partly because of constraints on implementation capacity. There are some projects which, compared with the original time target, have been delayed for one, two, three, even four years because of lack of that capacity. This situation partly accounts for defects in the results of DP3, which as a plan was just over ambitious. It did not take into account many things, such as the absorptive capacity.

Basically development plans estimate the amount of aid given to Tonga over the period of five years, and a number of projects have been put together to use that aid. Later, if foreign aid is less than anticipated, the government puts these projects on a reserve list to be considered when funds will be available. We do this not only in the five-year plans but also in a number of other aid programmes. These are prioritized, and if funds become available or if we have a short volume of expenditure we initiate some of these reserved projects. In other words, they have somewhat lower priority, but if funds are available we like to see them implemented.

Frequently we also help rural communities in obtaining foreign assistance for their projects. Their requests are reviewed, and if approved, they are submitted to aid donors, which in most cases means that we sit down with

the high commissions or embassies as far as they are represented in the country. We present to them the project at issue and outline its purpose.

[Tonga]

In Samoa the processing of foreign-aid projects is not done through the Central Planning Department. That responsibility is largely with the Prime Minister's Department because of its closeness to foreign affairs matters. There is also a so-called Aid Coordinating Committee which comprises the big departments, the Prime Minster's Department, Finance, Economic Development, Agriculture, Education and Health, and is chaired by the Prime Minister. The committee screens all the aid projects, but finally, of course, everything has to be approved by Cabinet as the top political body . . . However, these projects come to us for review and evaluation. We make our recommendation to the committee, we discuss the projects there and make our point if we object to them. If the committee goes along, we send the papers to Cabinet as a recommendation from the committee . . . We examine projects from the standpoint of an economic analysis while in the Prime Minister's Department they look at them mainly from the standpoint of foreign affairs implications.

One of the disadvantages of foreign-aid projects is that to us they are not always our priorities. So we try to compromise. We prepare our own proposals reflecting our national interest, present them to the donor and see how he is going to react to them. This usually leads to some modification of the orginal proposal.

[Samoa]

In Vanuatu our planning office is in charge of foreign-aid projects. Aid donors act on an annual basis. Usually an aid team comes here and meets our planning staff and people from the different departments, or sometimes they travel by themselves to identify development needs. The planning office gives them an orientation introduction to the country, explaining the structure of the government and so on. Subsequently we hold meetings together regarding the project of issue . . . So far we do not have problems with our donors. Not at this stage. Perhaps at a later stage we may have some.

[Vanuatu]

Our overview of foreign aid organization and practice in the context of the organization of development planning in the South Pacific reveals certain trends in this area which may be summarized.

First, there is a heavy dependence on external aid, a lack of self-reliance in all Pacific countries with the exception of Fiji.

Second, aid, usually representing the main source of development expenditure, is intimately connected with budgeting; it tends to be perceived as "part of the budget."

Thirdly, responsibility for aid administration is vested in different bodies such as the Central Planning Office, the Prime Minister's Office or the Ministry of Finance. This has been so partly for historical, partly for practical reasons. The example of Fiji seems to suggest a future trend in dealing with aid, which involves dissociation of administrative functions from evaluation and planning functions. There are basically two arguments in favour of such a move. One is that this type of work is essentially routine, administrative work. Because of vastly increased volume of aid, such work would require too much time from planners, who should be spending their energies on doing their planning. As one Fiji respondent quoted earlier has put it, "the aid administration had grown into such a monster that it was taking up a disproportionate amount of central planning time." The second argument is that as aid activity affects deeply the national budget, it should be properly handled by the department responsible for the budget, i.e. the Ministry of Finance.

Fourthly, there is a tendency in all Pacific countries to involve all the major government departments in decisions pertaining to external aid. This is usually done through aid coordinating committees. These should enhance coordination, allow a pooling of manpower or technical resources and give a feeling of participation in decisions on aid to the interested parties. Certain questions may, however, arise as to the composition of such committees and the involvement of politicians in them. Should they be purely technical bodies composed of public servants or should politicians be asked to partake in them? What would be the advantages and disadvantages of politicizing the aid-dispensing process?

The findings of the study also reveal other major problems with respect to external aid. One such problem arises from limited absorptive capacity in the administration of aid. In Tonga, for instance, one planner refers to the

impossibility of meeting the original plan targets and to implement development plans properly "because of limited capacity to spend, but mostly because of limitations on human resources, whether in the process of planning or in implementation," adding that "We only have so many carpenters, so many engineers or whatever." According to him, this situation partly accounts for the inability of DP3 to meet its target, for "it did not take into account many things, such as the absorptive capacity." Another such problem involves a gap that frequently exists between aid offered and national priorities in planning.

A number of steps have been taken, however, to meet these two problems and also to improve the overall operation of the aid-processing system. It has been, for instance, proposed to introduce more rational evaluation of the necessary capabilities before aid projects are given approval and to prioritize such projects and put some on reverse until more favourable conditions for their implementation are established. To bridge the gap between aid offered and national priorities it has been proposed to clearly relate aid proposals to development priorities. In this connection, it has been recommended that aid donors be kept informed about actual needs and development priorities of the country concerned, such as by organizing orientation seminars and by instituting 'operations rooms' to keep them up to date about implementation of their respective projects. More general improvements involve a variety of forms. One of these is the initiative to help rural communities in obtaining external assistance. Another involves improvement of procedures in the aid-processing system. An example of this given in the study is the practice to submit such projects for approval as a package rather than singly and so reduce the work-load generated by them.

CHAPTER 12

PLANNING UNITS

This section focuses on units specializing in planning or research which exist in government departments other than the central planning office and serve the particular purpose of those departments and are their responsibility. Some government departments, particularly the major ministries, have found it useful, if not necessary, to have a planning unit of their own. In the South Pacific such units are rather limited in number. Their absence is not, however, due to a lack of interest but rather, as we shall see in the subsequent argument, due to a lack of funds and qualified personnel to fill such positions.

An example in the South Pacific of the emerging interest in planning units attached to major government ministries or departments is found in Tonga's DP4. It is stated (p. 345) that such units will be established in Education and Works, apart from those already established in Agriculture and Health, and will be responsible for the full range of departmental planning functions, having for their task "to coordinate all progress reports and data necessary for the regular monitoring and review of development projects and programmes" (Ibid.). A similar commitment to such units is made, for instance, in Fiji's DP7 (p. 230). It is stated that it will be necessary "to strengthen or establish small planning and research units in the major ministries," including Agriculture, Fisheries and Forests, Communications, Works and Tourism, Education, Health and Rural Development. These units are expected to provide the planning machinery with information "for maximum utilization" (Ibid.).

Questions arising in this area focus on the establishment and functions of such units and on problems connected with their operation. These are some of the comments made by our respondents:

> In Fiji the major ministries do not have so far a planning unit of their own, but it would be possible to have such units if they had sufficient staff and expertise . . . You can have a unit with a big name, but what it does is another thing.
>
> [Fiji]

Planning units in the other government ministries look at planning matters from their sectoral point of view, for instance, the Agriculture Ministry unit would examine projects of interest to them. That's where we actually complement each other.

Our own role is to look at the implication or the effect of projects on the economy as a whole. But we are closely related to such units. For one thing, we are in daily contact with them and the relationship works fairly well. For another thing, all project proposals before being submitted to cabinet go first to the Development Coordinating Committee and the secretary of this committee is placed in our department. We then examine such proposals to ensure that they are in line with the strategies and policies of the development plan and try, at least for major projects, to do an evaluation. If such evaluation was done before, we review it, whether it was done on a sound basis and, if not, we try to amend it in close consultation with the proposing agency.

Occasionally there are instances of differences of opinion between our office and such units, certainly. The result of our review may sometimes be different from the result of their review because sectoral benefits do not necessarily have to be benefits to the whole nation. But we try as much as possible to resolve our differences even before the actual approval process starts. In most cases we succeed in that; we come to some kind of compromise. There are, however, a few instances where we say "no". We feel that from the national or economic point of view things look different from their position. We then present both cases to political leaders to decide which opinion they find more acceptable.

We have a special planning unit in our department (agriculture). It started in 1976 and was a result of DP3. There was needed sort of a secretariat to take care of the development side of agriculture with new pressures in that area. Moreover people with specific knowledge were needed who have a real feeling for farmers and crops and are in constant contact with problems arising at the field level.

In our office we have a planning adviser, a planning officer and an agricultural economist. The planning adviser is from outside the agency

on a contractual basis. We had a planning officer from 1977 to 1980, and since then we have two planning officers temporarily filling in.

As the planning officer is only appointed for a certain term, there is discontinuity at the head of planning, e.g., I am heading towards the end of my term (I have been here twenty months). But such discontinuities can be minimized if you take a responsible attitude such as extra effort to try not to leave projects half-finished and also when you try to finish everything you have been working on . . . I have been trying to formulate my plans and hand them down to others by the time my term is terminated.

Our function is essentially to examine critically projects, to identify their weak points. Each of us has a specific job to perform.

According to DP4 our function is to collect data on the agricultural sector, coordinate and evaluate development projects in our sector. One of our recent major projects was agricultural production surveys or profiles. We wanted to know the relative use of land. The relative consumption of food can reflect the relative areas producing various crops. From these data we could then determine how much land in Tonga has been utilized. Then from this we can sort of determine the products that could be export potential crops. We got this information from the Statistics Department.

[Tonga]

To have such units would be the ideal situation, but again we are just not getting enough graduates. There is also the problem of funds connected with opening new Public Service positions. This system is operating only in two departments, in Agriculture and in Health. These units evaluate projects that belong to their areas of interest, and if such evaluation is done well, it saves us in the planning office a lot of work. We would, then, play merely a coordinating role and pass proposals through the Planning Committee to cabinet for the final approval.

My particular responsibility is industry and trade. But there is no ministry for trade and commerce. We are located in the Ministry of Economic Affairs and are one of its sections. This ministry also comprises the Department of Planning and many different divisions, dealing with such

functions as marketing, tourism, statistics, apart from our division. What we actually do is preparation and analysis of applications for incentives in industries and to monitor industrial projects that have been approved and enjoy government funding through the government incentives scheme. . . At present our role is somewhat dualistic, to implement policies, and as planners, to discharge functions associated with development planning. Yes, we tend to do two things. For instance, when we are in the process of preparing a plan, whether annual or five-year, the whole staff of this department is committed to do the planning and other responsibilities are set aside. But this situation may not be lasting. In the future the responsibility for planning may shift to the Prime Minister's Department and a new department for commerce and industries will be perhaps established. Yes, some changes may be anticipated in the form of reorganization of the existing system.

[Samoa]

Special planning units have been contemplated for some time. There is a reference made in the development plan to their desirability. They are expected to facilitate or make more effective collection of data and evaluation of projects and also the monitoring of projects and reporting. But so far they have not yet materialized. Certainly, if and when they do, they should lighten our burden a great deal.

We encourage all planning sectors to do their own planning. E.g., Agriculture has its own agricultural economist whose main role is to evaluate projects of his own ministry. He coordinates with us. There is also an industrial economist in the Ministry of Finance on the commerce side; the Transport Ministry has a transport economist.

[Vanuatu]

The experience in the South Pacific indicates a keen interest among planners in having separate planning units established at least in the major government ministries. Such units "would be the ideal situation," says the leading Samoan planner, or his counterpart in Vanuatu, "we encourage all planning sectors to do their own planning." Basically two reasons are given to justify the establishing of such units. The first, given by central planners, is work-saving for them, particularly in monitoring and evaluating programmes and projects, thus alleviating

some of their burden. The second refers to the major ministries, such as Agriculture, which are often overburdened with projects particularly foreign-aided projects, and need some office to deal with them. As one planner attached to Tonga's Ministry of Agriculture has put it, "we needed sort of a secretariat to take care of the development side of agriculture with new pressures in that area [generated mainly by foreign-aided projects]. Moreover people with specific knowledge were needed who have a real feeling for farmers and crops and are in constant contact with problems arising at the field level."

In most Pacific states, these units are widely used in agriculture, but sometimes also in other areas of major government activity (e.g. health, education), and their use seems to be increasing. In Vanuatu, for instance, they include agriculture, finance and transport and are represented by three specialist-economists in these respective areas. The use of such units seems to depend largely on the magnitude of aid projects that is offered. Thus, there may exist a relationship between such units and aid projects. It is significant that in Fiji, where the planning system is more advanced than in the other South Pacific states and adequate capacity seems to exist for processing aid projects, such units are not in wide use.

The function of these units is primarily to evaluate and monitor development projects, as one respondent puts it, "to examine critically projects, to identify their weak spots," but they are also responsible for collecting relevant data, coordinating work as well as conducting surveys in their respective area or sector.

Principal problems arising in these units are those of funding, staffing and of their relationship with the central planning office. Funding and staffing involve the basic needs that have to be met if these units are to operate efficiently. Perhaps adequate staffing is the bigger problem. For instance, in Tonga there have been three professionals attached to such a unit in the early 1980s, a planning adviser, a planning officer and an agricultural economist, but in 1982 part of this staff was still "in training," while the adviser, completing his term, was about to leave the country. This produces considerable "discontinuities" (in the words of the adviser) which are likely to adversely affect the operation of this unit. (Incidentally, his suggestion for reducing such discontinuities is to "take a responsible attitude like extra effort to try not to leave projects half-finished and . . . to formulate . . . plans and hand them down to others by the time [one's] term is terminated.") The

same complaint is reflected in the comment of a Samoan planner who is in charge of one such separate planning unit: "I think I need three or four persons to handle these functions, but the number and quality of those who are available is really very limited for meeting our needs." He then identifies considerable fluctuation of staff and a lack of trained economists as the main reasons for such deficiencies in the staffing of his unit. (See the section on Staffing and Training.)

The relationship between the centre and such planning units is necessarily close, as they seem to depend to a large extent on one another for data and other information. Their work may be complementary, in the words of one respondent, "we actually complement each other." Central planners claim to be closely related to such units and to be in daily contact with them. The same appears true in the other direction, from the units to the centre. This relationship seems to work to the satisfaction of both parties, as one respondent puts it, it "works fairly well."

Central disagreements are bound to arise occasionally. The central planning office is expected to evaluate all policy or project proposals for consistency with the overall national objectives, while these planning units tend to focus on their own peculiar sectoral interest. In this sense the CPO views itself as the watchdog of national interest, in the comment of a national planner, "our role is to look at the implication or the effect of projects on the economy as a whole." In case of disagreement, attempts are made "as much as possible to resolve our differences even before the actual approval process starts." In most cases some kind of compromise is made, but if it cannot be made, the case is left to political leaders to decide.

A particular case, where separate sectoral and general planning functions tend to intermix, is found in Western Samoa. This seems to be due to historical reasons, to the fact that such different functions as trade, industry and planning were placed originally in one ministry, undoubtedly because at the early stage planning was concerned almost exclusively with this sort of activity (i.e. trade and industry). However, with the extension of planning functions to other sectors, the present dualist position of the Central Planning Department will be conceivably abolished. Indeed, some such anticipations have been expressed in our interviews. (On this point see the section on Organization.)

Although such planning units are usually viewed as a desirable addition to development planning, a warning has been also given not to accept them

uncritically. It has been argued that such units need not be necessarily good just because they carry the label of 'planning'. "You can have a unit with a big name [like planning]," says one respondent, "but what it does is another thing." They should be introduced only when they are really needed and when there are adequate experts to man them.

CHAPTER 13

PLANNING PROCESSES AND PROCEDURES

Organization of development planning is characterized by a particular type of activity and a particular mode of operations and procedures. These will be elaborated in the present section in the context of the South Pacific region.

In the South Pacific, planning involves basically three types of activity. One of these focuses on development plans, their formulation and implementation. Such plans are at the heart of planning activity. They provide the framework for national development which serves as the basis for allocating national resources and identifying the main policies, strategies and targets that make possible the achievement of desired development objectives. According to one such document, their aim is "to allocate scarce resources (money, skilled manpower, land, etc.) to priority activities that are likely to make rapid progress" ("A Review of the Solomon Islands National Development Plan 1975-1979," C.P.O., Honiara, 177, p. 5). Formulation and implementation of development plans involves the work which goes into organizing these two functions of planning.

Another type of activity focuses on the work connected with government programmes and projects. This covers different aspects of planning such as project preparation, evaluation and monitoring. While the third type of activity focuses on planning done by government ministries or departments. This is considerable and often basic, for ministries implement policies, sectoral programmes and projects in their area of responsibility, which includes regular monitoring of their activities. (See, e.g., Fiji DP8, pp. 80-81.) They are also responsible for the formulation, implementation and monitoring of sectoral programmes and projects, including the preparation, in conjunction with the CPO, of foreign aid programmes and projects relating to their area of activity, and for similar planning functions (Tonga's DP3, pp. 147-148).

Since its inception in the South Pacific in the 1950s, development planning has vastly increased in scope. (See the section on the Development of Development Planning for a general statement of this point.) This is because, as the expression

itself suggests, development and planning go inevitably together, and therefore as the scope of interest in development increases, so does the scope of planning. This point is made in one Pacific document which states: "Planning . . . must in future be considered in the light of the objectives and principles of national development" ('Review of the Solomon Islands Plan 1975-1979', op. cit., p. 5). Thus increasingly new areas of public policy have been brought into the sphere of national planning. In most Pacific countries this now includes, apart from conventional interests in economic and social development, a host of new activities such as manpower planning, town and regional planning, new dimensions in social planning, heavy involvement of national planners in financial policies and frequently also efforts at restructuring budgeting systems in line with the commitment of most regional countries to regionalization or decentralization of the decision-making process (e.g. in Fiji, see DP8, p. 338).

There are at least two other features present in the process of planning, reflected in planning documents of the regional countries. One is a growing emphasis on the relationship between administration or management and planning capabilities of national systems. In the statement of the Solomons' document quoted above, "planning . . . concerns everyone involved in managment and administration" (p. 5). Such capabilities involve a vast number of skills for dealing with planning problems and are often conceived broadly rather than in a narrow technical way. For instance, in Tonga they involve not only the ability in planning "to adopt new functions and procedures to meet changing needs" but also a proper discharge of ministerial functions, administrative directions, the role of governors, public service training and financial administration. Such capacities are said to be required to give adequate support and contribute to efforts at effective planning for development (DP3, pp. 46-47).

Another feature of the planning process are certain procedures that are followed by government departments or agencies in their work dealing with development plans and projects. As the subsequent discussion indicates, such procedures are not simple and involve a variety of aspects. An illustration of the complexity of such procedures is reflected, for example, in the following Tongan document (Tonga's 'Mid-Term Review of DP3, Nuku'alofa, CPO, p. 53) which focuses only on one area of implementation, that of aid projects. According to this document,

It means preparing or helping a Ministry/Department to prepare a project document, putting it through DCC and cabinet, then sending a request to the aid donor. This request usually has to be followed up, and when the aid eventually comes through, the CPO has to monitor the physical and financial progress of the project.

Interviews conducted for this section focus on what type of work is involved in planning, on the scope of this activity, on the process characterizing this activity and some constraints on it and procedures and criteria used. The following are some of the answers received in interviews from our respondents:

Our office becomes involved in project planning work. This includes the process of getting the necessary procedures and mechanisms off the ground and our linking directly with the ministries to generate pipeline projects. We prepare and document such projects, prioritize them and put them through for funding in relation to the plan.

But this is a process that takes some time to complete. In the short term, in relation to the next year's budget, the ministries submit their list of development-related projects or capital expenditures and we do the evaluation. Our recommendations are then discussed in the Budget Coordinating Committee.

Let me describe the process of writing DP7. There were various parties that were involved. There was the cabinet, the Development Sub-committee, basically consisting of permanent secretaries, and the Central Planning Office acting as the secretariat of that sub-committee. In a year or so before the plan was due, we would put up a flurry of papers, first trying to present the issues involved in various economic social activities then the actual draft of the chapters in conjunction with the ministries. Ideally we would have liked the ministries to draft the initial chapter and the CPO's input would be coordinating the whole thing. We did not always get this, and often the CPO had to write the draft chapters. At any rate this eventually resulted in meetings between ministries and the CPO people involved. The chapters went to the Development Sub-committee where they were again evaluated, edited and so forth, and finally sent up to cabinet for final decision.

[Fiji]

One weakness in our approach to planning (in Tonga) is our limited local input. DP3 was officially done by this office, but in fact all the manpower was provided by a consulting company. Contribution by our government people was fairly limited. There was, however, much more local input in DP4, more participation.

In dealing with projects we have certain criteria for funding to which those who apply must conform; a number of applications have been rejected because proposed projects have not conformed to such criteria.

[Tonga]

At the moment new projects come mostly from departments. The Planning Office tries to sell these projects to aid donors. We check the project documents. All planning documents should come to our office first. If we agree, we submit the proposals to the National Planning Commission (but this has not yet been formally established), which in turn will submit them to the Council of Ministers.

We have drafted three different forms: we want to know the economic justification of projects, their social and employment impact, income-generation and balance-of-payments impact. We use these as criteria for prioritizing in budgeting.

What we actually do in our office? Dealing mainly with projects. With the national development plan in existence, all the projects that will be undertaken during the plan's period, between 1982 and 1986, are mentioned in the plan. There is, for instance, a recent project funded from Australian aid, involving construction of a secondary school in Santo. A project like this initiates within the ministry, in this case the Ministry of Education. They write up the project document. The application for the project lands on my desk. I look at it, I evaluate and analyze it, and generally I would discuss it with other members of staff, for instance, regarding financing. Because I don't look after Australian aid, I have to discuss it also with the officer responsible for Australian aid.

Once the Planning Office is satisfied that the project is worthy of aid, and if it is below 20 million Vatu, the Planning Office has the right to submit it directly to the aid donor through appropriate channels. This means that the document has to pass through the Foreign Affairs Department which

then submits it to the donor. Now if it is above 20 million Vatu, the project has to go before the council of Ministers for their approval. Once it is approved, the Planning Office is again informed.

Project applications come to our office, we analyze and evaluate them in terms of their cost and benefit. When this is completed, we send them to our aid donors through Foreign Affairs. Once the donor approves a project, we get a telex from him saying: "Your project is approved and attached is a cheque for 100 million Vatu" or whatever sum it is. The funds then go straight to the Treasury in the Ministry of Finance which will allocate them to the government agency concerned. The Ministry of Finance has to give its approval to every project. It is interested mainly in the impact of projects on the recurrent budget. But if projects have to do with construction, we must also get approval of the Public Works people.

[Vanuatu]

In the Solomons we have the PDF (Provincial Development Fund) whose function is to review and appraise projects. If it is discovered that projects are expensive or uneconomical in the long run, they are rejected and reasons are given. The ceiling under the PDF is $100,000; projects can be funded only up to that amount and no more. Projects which do not fulfill this basic condition have been turned down. There are sometimes pressures, political and administrative, to reconsider such decisions. In that case the applicant may be advised to break up his proposed project into stages in order to satisfy the PDF limit requirements.

[Solomons]

The findings of this section reveal a number of points about the planning process and procedures. One is that this process involves a wide range of activities both of long and short duration, such as preparation and implementation of development plans, writing annual reports, evaluation and monitoring of programmes and projects, and so on. Also, that it has grown greatly in scope due to increased interest in development activities and their complexity.

Project planning is perhaps the most frequent activity of planning organizations. It comprises the setting up of procedures and mechanisms to deal with projects, preparation of the necessary documents, linking with other government agencies or ministries "to generate pipeline projects," prioritizing projects and

putting them through for funding, project evaluation, monitoring and discussions with other interested parties, particularly the Ministry of Finance. It also involves participation of planners in the various coordinating committees reviewing projects, attempts to 'sell' projects to foreign aid donors as well as such basic activity as providing advice to project applicants how to fill the required forms or meet the necessary conditions for approval and funding of proposed projects. In the processing of projects, the role of the CPO is crucial, for with the exception of very minor projects (e.g., self-help projects in Fiji), all projects seem to find their way to the Planning Office and are expected to be reviewed by it.

The findings also reveal that a large amount of planning, if not most of it, is done not by the Planning Office but within the other government departments. Most new projects originate with them. However, such departments have only a limited capability for discharging their planning functions effectively. In fact many of them, particularly the smaller ones, rely on the CPO to do the required planning for them. For example, the drafting of chapters at the initial stage of preparation of development plans should be done by the departments themselves, but instead it is often done for them by the CPO. As one Fiji planner puts it, "ideally we would have liked the ministries to draft the initial chapter and the CPO's input would be that the whole thing is coordinated. We did not always get this, and often the CPO had to write the draft chapters." Thus practice indicates that central planners frequently exceed their role as mere coordinators of planning activities to become participants in formulating what the desirable pattern of development of other departments should be. This draws attention to the inadequacy of the existing process of planning, especially at the level of smaller departments or agencies. It is obvious that if this process is to be improved, planning capabilities of such departments cannot be neglected, as so much planning depends on them.

Another point of interest identified in this section are the procedures used by planning agencies in dealing with projects and the quasi law-enforcing functions of such agencies. In all Pacific countries certain criteria are used for approval of projects, particularly with respect to funding. Often other criteria are used as well. For example, in Vanuatu three specific, essentially economic criteria are used for prioritizing projects in budgeting: the social and employment potential, income-generation and the balance-of-payment impact. Planning agencies also have the authority to supervise proposed and on-going projects and other planning

activities. In applying such criteria or such authority, planning agencies seem to assume quasi law-enforcing functions. These are derived from the general task which these agencies are expected to perform, namely, to ensure conformity of all government planning activities with the objectives of national development.

Finally, several factors adversely affecting the process of planning are identified. Two examples of these will be mentioned presently. One is the political environment which surrounds the planning process. Experience in some Pacific countries indicates the presence of political and administrative pressures to get around formal requirements in planning. As one planner (from the Solomons) puts it, "Many projects which do not fulfill this basic condition have been turned down. However, there are sometimes pressures, political and administrative, to reconsider such decisions." Another example involves a reference to constraints on the process of planning due to its heavy reliance on external expertise. Most planning in some Pacific countries, particularly in its earlier stage, is done by foreign experts rather than by local people. This has been, for example, the experience in Tonga during the DP3 period. According to one Tongan planner, "One weakness in our approach to planning in Tonga is our limited local input. DP3 was officially done by this office, but in fact all the manpower was provided by a consulting company," though the planner adds more optimistically, "There was, however, much more local input in DP4, more participation." These two examples draw attention to the existence of major shortcomings in the planning process in the South Pacific region and to the need to enhance the maturity and self reliance of this process. Other shortcomings of a similar nature will be identified and discussed more extensively in other sections of this study.

CHAPTER 14

CONSTRAINTS ON PLANNING

The literature on organization of development planning also draws attention to constraints in this area, on the obstacles hindering efficient operations of planning systems. Most such obstacles which are present in the South Pacific have been identified in the preceding argument; they have been given explicit recognition in planning documents published in the region. They involve defects of a technical nature, such as inadequate financial and manpower resources, a lack of appropriate knowledge and skills in planning, a lack of absorptive capacity and similar technical problems. At another level, they involve problems due to political and social or cultural values, such as political interference, excessive dependence in planning on external assistance or experts, and the presence of values, whether on the part of administrators or the public, that indicate a lack of responsiveness to modern ideas of national planning.

This section focuses only on the main constraints on planning as national planners in the region perceive them. These and other constraints have been also identified in the preceding sections, dealing with particular aspects of development planning. Answers given by planners to relevant interview questions are partly reproduced in the following part of this section. They focus on the main weaknesses in existing planning organizations in the South Pacific region and on realistic options to deal with such weakness.

> What are the main constraints on our activity? This is a very big question, not an easy one to answer. I think on the staffing side we have overcome our problems. Funding, since we don't actually implement projects, is not our concern as long as we have all our running expenses met.
>
> If you look at functions, I don't pretend that everything is plain sailing, but, as I have said, planning is essentially a political process. Unless you take the attitude that in this kind of economy we should plan and control everything that takes place in the economy, that is what we mean by

planning. If you take that kind of definition of planning, of course there would be a lot frustration.

There is an increasing need to clarify where the CPO stands. This could help us to avoid some of the misconceptions about it and unnecessary feelings of jealousy or competition. To clear up all these questions about power.

[Fiji]

Main constraints on planning? Some have been discussed already. The various staffing constraints. And of course money constraints; money is not readily available both within the government and in the economy. A lack of data and statistics. Also I don't think there is enough commitment to the work of our department. It is not a very strong department within the government. It is not being given enough muscle to bring about dynamic results.

[Samoa]

Major problems affecting the efficiency of our office? One is getting the right technical assistance and the other is continuity.

[Vanuatu]

Perceptions of our respondents have shown that a number of points on planning are recognized to exist in all systems in the region. However, it is evident that planners do not find it easy to conceptualize their experience of the 'main constraints' on planning. This seems to indicate that in their minds problems arising in the process of planning are not merely a few specific problems; rather, such problems seem to be interconnected, perhaps reinforcing one another, e.g., defects in macro planning can be traced to inadequate statistics and other factors. One lesson that can be drawn from this is that in order to free themselves from the vicious cycle of their own inadequacy, existing systems of planning must seek to develop or reform themselves in more than one direction or one area.

The argument also indicates differences in perceived constraints on planning. The same constraints are not always experienced in all Pacific countries or are not felt with the same intensity. For instance, as the comment of one leading Fiji planner quoted earlier indicates, staffing and funding do not create serious problems for planning organization in Fiji, but they do in other Pacific

countries. If the planning experience in the Pacific can be generalized, it seems to suggest that the more advanced the planning system, the more likely the organization of planning will be manageable and the less likely problems will be pressing.

The range of constraints seems to be wide, comprising technical, political, social or cultural aspects. These can be expected or found in most developing areas, comprising such problems, mentioned earlier, as inadequate staffing and skills, lack of absorptive capacity, political interference, adverse cultural values, and so on.

Other major constraints affecting adversely the working of the systems have been identified only by some planners. One of these involves a lack of sufficient commitment by political leaders to development planning. In the phrase of one Samoan planner, "I don't think there is enough commitment to the work of our department . . . It is not being given enough muscle to bring about dynamic results." Another involves jurisdictional disputes. These arise from the failure to clearly delineate the jurisdiction of planners vis-à-vis other government bodies. For instance, in matters of regionalization, who will have the upper hand in the regional planning units, the national planning agency or the regional government authority? By clarifying jursidictional boundaries, one should be able to avoid unnecessary and unhealthy jealousies or feelings of competition within government administrative systems.

Constraints on the development of efficient planning systems are also traced to three other causes: a lack of the right technical assistance; a lack of absorptive capacity; and absence of continuity in the operation of planning systems. The importance of technical assistance is periodically emphasized. It is argued that only the right kind of assistance can contribute to effective planning or help to meet the planned development objectives. Similarly, adequate absorptive capacity is perceived as crucial to successful operation of planning organizations. This is a recurrent point in all planning documents in the region. An example of this is Tonga's DP4, where the lack of such capacity is said to have accounted for the relative weakness of the country's planning machinery during the DP3 period. In the statement of DP4 (p. 340):

> Not only was the Department unable to give full attention to its own evaluation, monitoring, review and revision responsibilities but, more

importantly, at a time when the other departments did not have the necessary skills and expertise in development planning, the Central Planning Department was unable to perform its leadership, advisory and educational role necessary for the new planning concepts and systems to be successful.

Also continuity is of central importance, for there is unlikely to be lasting progress in the organization of planning unless relative stability in operation is reached and realistic expectations can be made in such matters as staffing, fundings, political support and other technical or non-technical aspects. A lack of continuity tends to disrupt such aspects, and so upset rational development of planning systems in the Pacific.

Finally, experience of planners in the South Pacific sometimes involves perception of constraints on planning activities due to political factors. For instance, it is not unusual that in planning decisions preference is given to political interests as against technical interests or recommendations of planners as to the desirable nature of national planning and development. It may be argued, however, that these are not genuine constraints, as planning is inevitably a part of the political process. Once this basic political perspective of all government planning is recognized, it is difficult to view political actions disliked by planners as an obstacle to rational planning. Rather, they are part of a particular system of values which allows such actions and which also defines the permissible limit for rational planning. It is often the inability of planners to keep this basic perspective of planning in sight that leads them to make unrealistic demands and feel frustrated when such demands cannot be met. Some such experience has been identified by one planner from Fiji who writes:

> If you look at functions [of planning], I don't pretend that everything is plain sailing, but as I have said, planning is essentially a political process. Unless you take the attitude that in this kind of economy we should plan and control everything that takes place in the economy, that that is what we mean by planning. If you take that kind of definition of planning, of course there would be a lot of frustration.

CHAPTER 15

STAFFING AND TRAINING

Effective organization of planning is impossible without adequate staff and properly trained people. In developing countries it is frequently the lack of these two personnel aspects that is responsible to a great extent for the ineffectiveness of organization of planning. Another problem often given prominence in this area is that of localization of staff. It is the ambition of all newly-created states to have their planning systems manned by their own people, whether for reasons of political interest or national pride or because of need for increased self-reliance, which is taken as a sign of a country's growing maturity and its ability to manage its own affairs.

In the South Pacific, like in other developing areas, organization of planning has been greatly affected by constraints in the three aspects of personnel: staffing, training and localization. In Tonga, for example, the writer in DP4 refers to the critical condition in the Planning Department during the DP3 period due to lack of qualified staff, which made it impossible to deal with expanded administrative and planning functions. According to him, the Planning Department failed not only to discharge its basic functions, but also to provide the required leadership in planning for other government departments when this was badly needed "for the new planning concepts and systems to become successful." In the words of DP4 (p. 340):

> The Department had been established with a professional staff of five to carry out its overall planning functions and to coordinate the implementation of DP3. But by the middle of the Plan period only two of these positions had been filled. Subsequent reviews of the Department established the need of eleven professional staff to cope with its expanding workload but, except for a period of a few months, it has been consistently well below establishment . . . Not only was the Department unable to give full attention to its own evaluation, monitoring, review and revision responsibilities but, more importantly, at a time when the other

Departments did not have the necessary skills and expertise in development planning the Central Planning Department was uanble to perform its leadership, advisory and education role.

Development plans in the South Pacific do not usually address themselves explicitly to problems of personnel in their planning setting. Rather, they focus on general reforms desirable in the public service, on the efficiency of the entire public administrative system. These reforms comprise a variety of proposals. In Tonga, for example, they involve periodic reviews of staff establishments and the advocacy of an expanded role in training of the Civil Service Staff Board to include the practice of "prescribing basic training programmes, advising on and assisting with training of staff, and making recommendations to Government of the facilities necessary for the proper training of staff" as well as the idea of "providing operation and management services including advice as to efficient work and control methods and techniques" (Tonga's DP4, p. 339). Another proposal focuses on localization, advocating the policy "to train students abroad through the provision of scholarships and the introduction of a major programme of in-service training" (DP3, p. 64).

In Samoa the management aspect is emphasized, at least in the latest development plan. It is stated that "At present there is a great need for more efficient management in all departments of the Public Service. Most officers have only received training in their substantive fields, not in general managerial skills, and there is a great shortage of suitably qualified secretaries and clerical staff." (DP4, p. 184). It is proposed to continue with training that is needed and also to open a training centre to improve the situation.

In the Solomons the focus is on administrative, professional and technical training and on establishment control (at least in the draft of DP 1980-1984) and the recurring theme in all plans in localization. It is also suggested that training programmes should "not only concentrate on teaching skills but also on creating greater appreciation of the obligations and responsibilities of being a public servant and the personal and collective discipline which it demands," i.e., that administrative accountability and discipline should be emphasized. 'Professional and technical training' refers to higher-level or technical pre-service training which will be done overseas, preferably in regional institutions such as USP or UPNG, and 'establishment control' refers to the most economic use of personnel and to staff inspection, undertaken because of great staff costs involved in running the administrative

system. Commitment to localization involves objectives closely related to those present in staffing and training. These are summed up in the definition of localization as the process of "speeding up replacement of expatriates by nationals, implying early training and management programmes and greater Government involvement" (DP 1975-1979, p. 5).

The principal questions arising in this section are as follows: How is the staffing situation in government planning agencies? Are there any major problems with staffing? Do the planning agencies conduct staff development or training programmes? If so, what are the main features of such programmes? Are there any problems with training overseas? What is the philosophy and practice with regard to localization of staff? These are some of the answers received from planners in the Pacific in this area:

> At the end of 1972 our office was largely staffed by advisers from abroad. These were U.N. advisers, one a senior economic adviser, and a number of Volunteers, VSOs and US Peace Corps Volunteers. The number of established line positions at that time was about twelve. In 1980 the size of the office was fifteen professional positions. You can imagine some of these positions were not filled because there were no locals available at the senior level.
>
> One of the first things I did when I became director was to make submissions to the Public Service Commission, basically arguing that at the level of staffing we were considerably below what was desired, and we managed to increase the size of line positions from 15 to 23. This was very significant at that time because there was considerable stringency, tight control on new positions. We not only had the office size increased but we successfully persuaded the Public Service Commission to give weight to more senior positions so that we could get people with expertise and experience.
>
> With regard to training, we have had for some time a very vigorous programme for staff development, which has resulted in a fairly well-trained pool of middle-level staff we have today. Last year we had five people doing post-graduate training. As for localization in line positions, only those at the chief level and two at the principal level are left, but now with a batch of people back from their studies we should be able to

localize even these positions. One of the things that has been introduced to speed up localization is this. At present we have three or four heads of units who are expatriates. Now we have regular heads of units' meetings in which, in addition to these heads, we have most senior local staff sitting in. The idea is that the local staff should be exposed to office management and administration as part of their training, in addition to having counterparts, so that they would be involved in the overall running of the organization.

Whether counterparts will replace expatirates? Counterpart training does not work. This office is arranged in such a way that does not seem to lend itself to it. There is no routine work. If you look at any arrangement of counterpart training that has been successful, I would like to see it.

Whether the number of our trainees has increased? Well, numbers may be misleading, for there may be short or long-term training. Also we don't sponsor undergraduates. Rather, we send those who have been hired and already have a degree for further studies.

In about 1976 there were a lot of expatriate people working in our office, volunteers from various countries, but increasingly the office became more localized. It was almost completely localized by 1979, but then with the rapid expansion which took place after the present director took over there were a lot of outside people again. Anyway, the problem of localization is difficult to decide. In some cases it has been a trade-off between getting people technically qualified and having people who are locally qualified.

[Fiji]

Fluctuations in staffing is a very serious problem in our department in Samoa. This is because our staff have qualifications in economic analysis and some knowledge of commerce as well as knowledge of government administration. A great part of their work takes them to other departments to negotiate and discuss different development projects. We also administer the enterpises' incentives scheme which is designed to encourage the establishment of secondary industries, manufacturing and tourism. So they become quite visible both within government departments and to the private sector. If they are recognized as bright young men, they become marketable commodities. This happens very often.

They get offers from others, but as a matter of policy we don't try to hold them back.

Training is another area in which we are active. We send some people overseas for training who will then come back. Well, some of them come back and go back again. Nobody goes back to Fiji, but the ones who go to Australia or New Zealand find it often a "dangerous attraction." But certainly training is an important component in the overall improvement of our staff and knowledge. There is a great number of training seminars, scholarships and other programmes offered all the time. Our members of staff go off quite often on short-term, sometimes long-term schemes. Also we have quite a number of students who study in the University of the South Pacific. We have mostly USP graduates working with us.

Regarding localization. As I have suggested, we have our staff leaving the department and going either into the private sector or better paid jobs in other government departments. We are continuously having to get an associate economist and a senior economic planner under a UN agency scheme or short-term consultancies from CFTC. If people did not leave us, we could develop a full complement of the various skills that are required in the department, but this has not yet happened. There are not enough young people graduating to meet all the needs of the various departments or of the private sector. The graduates, paricularly the more dynamic ones, are picked up very quickly. We have periodically a serious problem of sudden huge fluctuations. Sometimes I develop almost a full complement and the next thing, anything up to four of them will leave at the same time and I am back to square one again. I am upset if they move overseas, for we lose the skills, but if they move within the government or go into the private sector locally, I don't feel that much loss.

Regarding staffing, I think I need three or four persons to handle these functions (evaluation, monitoring, looking at incentives and so on), but the number and quality of those who are available is really very limited to meet our needs. First because of considerable fluctuation of staff - some people come and go - and also because trained economists are difficult to get.

[Samoa]

In 1982 we are facing a big transition. The old boys are leaving and new boys are coming. The new ones, mostly from the impartial, independent bodies such as the U.N., include myself and my associates who will come shortly, who are an industrial economist and macro planning unit head. We have also two young economists, one from the U.K. and one from New Zealand who arrived 1½ months ago. Whom I call the "old boys" are those who have stayed in the office for two-three years. Three of them will leave. Before independence there were three-four expatriates and there was no ni-Vanuatu counterpart. They concentrated mainly on aid coordination. Right after independence Augustine Garae, the only economics graduate in the country (from UPNG), joined the planning office. He was responsible for specific sectors, now he is supervising broad functions. At present we have eight senior staff, more or less doubled within two years. In our statistics section, with which we amalgamated in March of this year (1982), there were 5-6 people: two expert statisticians, one expert in computer management and two ni-Vanuatu ladies working as junior statisticians. So the NPS office including secretaries has twenty members, roughly ten each.

About localization, we can localize the heads of departments, for instance, my position can be localized within a reasonable period. I assume next year by this time my counterpart (Mr. Garae) can take over my post. But the problem is how to localize all the staff, especially experts. (As our experts go, we have at present two local people on the planning side, one male and one female, and two junior women on the statistics side.)

Localization will perhaps take a long time. We are contacting high schools to encourage the study of economics and statistics but it will take at least four years to get our students back. Moreover, if we get one, one man cannot solve the whole problem. So I am thinking about a two-level type of localization. I'd like to see decision-making functions performed by the local civil servants and under them would be advisers, and we would recruit young men and train them. Yes, localization is not an easy thing. In fact it is conceivable that as we keep expanding our development activities, more expatriates may have to be brought in. This seems to be

the general trend, and I think it may be a healthy one, if the head of department is a local man. Then the adviser's role is rather secondary.

Staffing is also a problem, but I am a great believer that, if properly utilized, one can do many things. Our staff tends to be overburdened, but they are happy. I try to utilize the existing staff to the maximum extent. I have a tough management philosophy of work, believing in hard work.

In Vanuatu at the moment we have eight experts from overseas; there is also myself and another ni-Vanuatu. All these experts are responsible for different areas of planning. Everybody in this office is new, except for one person, our Energy Planner. The others have all left. The eight experts I have mentioned are all expatriates on a contract basis. They are from different aid agencies: two are from CFTC, one from ODA, two from New Zealand Aid.

We are a bit behind in our training programmes and in localization. Certainly we would like to localize all positions, but at the moment it is a difficult thing to do. Localization is really a long-range problem. It is difficult to get people to fill positions at the moment. There are people, ni-Vanuatu, training overseas, but they will be back only in three or four years' time. I know of only one person doing economics. There is another difficulty, where to place the graduates. It is no good trying to keep all the top ones in one area or in one unit because other sectors would suffer . . . We don't want to localize for the sake of localizing. Only when people are ready. However, the government does encourage localization. There is 15 million Vatu available for localization. They call it the localization fund. This means that if they want to send people (like myself) abroad for further training, they can do so by using that fund. Of course, when we have our graduates coming in, we should be in a better position.

[Vanuatu]

In our office we are vastly understaffed. There are five different units and a shortage of some three officers.

[Solomons]

Answers of our respondents indicate a number of things about planning systems in the South Pacific on their personnel side. The first is that these systems

have attained different stages of development, when one considers them in terms of the three variables examined in this section, staffing, training and localization. The planning system of Fiji is obviously the most advanced, as it has proved itself manageable in all these aspects, displaying what seems to be a normal process of growth. It is significant that, unlike most other Pacific plans, Fiji's last plan (DP8) does not find it necessary to elaborate on problems of personnel planning. Considerable progress in the three aspects has also been registered in Tonga, although certain weaknesses in personnel still remain in the planning office, which it may take some time to overcome. A situation similar to that of Tonga seems to prevail in Western Samoa, although similar complications may arise because national planners are also involved in other activities than strictly central planning. The two Melanesian systems, however, are much more truly 'developing systems' in their personnel aspects, particularly Vanuatu. In this case, it seems, consciousness of problems in this area, accompanied by dynamic administrative leadership and adequate political support, could do much to improve the existing conditions which until now have remained relatively backward (with the possible exception of localization in the Solomons).

All planning systems in the South Pacific register a rapid progress in their staffing. In Fiji, for example, in the decade between 1972 and 1982 the growth of CPO in staffing has been from 15 established line positions to 35. In other systems the increase has also been constant, although less dramatic, partly because of their more modest mode of operation. Even Vanuatu, a relative late-starter in national planning, is undergoing a rapid expansion of its planning staff, from some three-four positions before independence (in 1980) to eight senior positions two years later.

Major defects in staffing are, however, present in most planning systems in the South Pacific. One involves simply a lack of people to handle expanding operations. In the phrase of a Samoan planner quoted above, "I need three or four persons to handle these functions (evaluation, monitoring, etc.) , but the number and quality of those who are available is really very limited to meet our needs." Or as a planner from the Solomons puts it, "We are vastly understaffed. There are five different units and a shortage of some three officers." Another defect involves a lack of competent people to fill particular positions, especially senior positions, which seems to have occurred in Fiji in 1980. In Samoa the major problem in staffing is staff fluctuation. People in the planning office seem to be 'coming and

going', especially those with a background in economics, once they have acquired new skills in their positions. They are very much in demand and often are 'lost' to other departments or the private sector. "Trained economists are difficult to get," complains a Samoan planner, "if they are recognized as bright young people, they become marketable commodities." Thus the staffing situation tends to be permanently unstable. In the phrase of a Planning Director quoted previously, "Sometimes I develop almost a full complement and the next thing, anything up to four of them will leave at the same time and I am back to square one again."

In all Pacific states there are different types of staff training programmes in planning sponsored by government. These include, for instance, in-service training, seminars, scholarships or sponsorship at higher-level institutions (in Fiji only at post-graduate level for those who are employed already. They seem to be focused mainly on the development of middle-level management capabilities where the need is particularly acute, although in some Pacific countries, namely in Fiji, the feeling seems to prevail that "a fairly well-trained pool of middle-level staff" had been already achieved. The aid of all such programmes is to increase the number of graduates to fill positions requiring professional or technical skills. In most Pacific countries a satisfactory ratio between the rising need for planning and the required graduates has not yet been attained. As one Samoan planner quoted earlier has put it, "There are not enough people graduating to fill all the needs of the various departments and of the private sector."

Another planner, from Vanuatu, highlights constraints on training, focusing his argument on two points, that training, at least for expert positions, is a long-range process, and that there is a difficulty where to place the new graduates, for expertise should presumbly be spread to all sectors of a developing economic system. In his phrase quoted earlier,

> It is difficult to get people at the moment. There are people, ni-Vanuatu, training overseas, but they will be back only in three or four years' time. I know only of one person doing economics. There is another difficulty, where to place the graduates. It is no good trying to keep all the top ones in one area or in one unit because other sectors would suffer.

There are also other difficulties present. In Samoa, for example, overseas training leading to higher degrees frequently becomes an invitation for graduates to leave the sponsoring agency and to seek a 'better job', sometimes outside the

country. Also the much-talked about "counterpart training" may have limited success unless certain conditions are met first, such as adequate education in the case of expert positions. This is made clear in the comment of a Fijian planner who states bluntly that "counterpart training does not work, [because] this office is arranged in such a way that does not lend itself to it. There is no routine work."

On the whole, planners seem to be a favoured group of people in such matters as staffing, funding, staff development and training. In Fiji, for example, the Public Service Commission allowed itself to be persuaded in the early 1980s that there was an urgent need to expand the existing staff in the planning office despite its "tight control on new positions then." It seems that in most Pacific countries the central planning office has had a relatively easy access to funds for training its staff or for sponsoring promising students in some area of development planning.

Localization of staff is the third problem area in personnel present in all Pacific planning systems. This involves a rather long-range process, which can be frustrating, as the training of local staff takes considerable time to complete, particularly in professional and highly technical positions. Also expansion of the scope of planning makes it often necessary to get new experts from abroad, thus negating the possibility of attaining the desired objective of complete localization or self-reliance in staffing. In this respect, different Pacific countries have succeeded in different degrees. For instance, in Fiji, where an extensive system of planning exists, only a few expert positions are left in expatriates' hands. In Samoa almost complete localization was achieved in 1979, but then with the rapid expansion of development activities in the subsequent years "a lot of outside people" had to be bought in. While in Vanuatu due to a late start in planning, localization is still at a somewhat early stage, as one ni-Vanuatu planner has put it, "we are a bit behind in this respect."

The attitude of planners, who are familiar with the practical difficulties connected with localization, seems to be pragmatic. They try to do their best to localize the service, but at the same time they refuse to sacrifice its standard. "The problem of localization," says the leading Samoan planner quoted earlier, "is difficult to decide. In some cases it has been a trade-off between getting people technically qualified and having people who are locally qualified." Or in Vanuatu, "The problem is how to localize all the staff, especially experts. Certainly we would like to localize all positions, but at the moment this is a difficult thing to do

. . . Localization will perhaps take a long time. We don't want to localize for the sake of localizing. Only when people are ready."

Despite these drawbacks the process of localization continues unabated at a fairly rapid rate in all Pacific states. In Fiji, for instance, attempts have been made to speed up this process by making senior local staff participate in the heads of units' meetings and so allow them "to be exposed to office management and administration as part of their training, in addition to having counterparts." In Vanuatu a so-called 'localization fund' was established to be used for training in the public service, particularly in technical and senior positions. From Vanuatu comes also the proposal of the chief planner, which would conceivably diffuse some of the emotions frequently associated with localization. This involves what its author calls a "two-level" type of localization, where top planners or decision makers would always be citizens of the country, while advisers would act merely in an 'advisory' capacity and would be of secondary importance. In his phrase quoted earlier,

> We are contacting high schools to encourage the study of economics and statistics but it will take at least four years to get our students back. Moreover, if we get one, one man cannot solve the whole problem. So I am thinking about a two-level type of localization. I'd like to see decision making functions performed by the local civil servants and under them would be advisers, and we would recruit young men and train them. This . . . may be a healthy [trend], if the head of department is a local man. Then the advisers' role is rather secondary.

It is finally realized - and explicitly acknowledged by some Pacific planners - that efficiency of staff can be conceivably improved <u>despite</u> so many constraining personnel factors characterizing the existing planning systems in the South Pacific. Much depends on proper utilization of staff and perhaps on their devotion to work and their motivation. In the words of the chief Vanuatu planner quoted earlier in this section,

> Staffing is also a problem, but I am a great believer that, if properly utilized, one can do many things. Our staff tends to be overburdened, but they are happy. I try to utilize the existing staff to the maximum extent. I have a tough management philosophy of work, believing in hard work.

CHAPTER 16

REGIONAL PLANNING AND DECENTRALIZATION

In the South Pacific, like in most developing areas, an increasing recognition is given to regionalization or decentralization of development planning. This is reflected in attempts by governments in this area to inject a regional component into their planning and enhance regional capacity for planning in the context of national development. Their interest in regional planning is not accidental. It is a consequence partly of increased awareness by their leaders of a need for a more balanced type of national development and for deliberate planning to bring about such development, partly of their preference for decentralized political systems. The two concepts, regionalization and decentralization, are, of course, closely related, for any form of regionalization implies decentralization. However, the crucial point is the nature of decentralization: does this imply mere deconcentration of central administration to its regional offices or more basic changes in sub-national administration, involving increased power of the regions to make their own decisions in matters effecting their development and planning? A perusal of planning documents in the Pacific indicates what these concepts mean in particular Pacific countries when they are applied to national planning.

In Tonga, for instance, regional development is treated as part of national planning in DP3. It is identified with a more balanced distribution of national income, with achieving, in the words of this document, "a balanced rate of development by stimulating production and employment and by improving opportunities and facilities in all parts of the country" (p. 55). In the subsequent DP4 it was, however, stated that the original efforts at regional development had been inadequate, as the previous plan "did not specify administrative procedures or the structure for ensuring that aid and other resources are equitably distributed on a regional basis and to the rural community" (p. 4). Certain institutional improvements had been made, however, even then, such as the establishment of a Regional and Rural Development Unit within the Central Planning Department and the setting up of the Rural Development committee, representing government and local interests, to monitor and evaluate projects with rural and regional

implications. Thus there is now in existence a mechanism for identification, evaluation and implementation of rural and regional programmes and for coordinating development planning. To this may be added the system of regional and village workshops which, according to DP4, have been established "to identify needs and priorities at the grass-roots level." Also it is noted that "Rural and regional issues are considered in depth and each sector programme is also evaluated in light of its regional and rural impact" (Ibid.). Hence the claim of CP4 that "Rural and regional development is a major part of the country's development programme for the next five years (Ibid.) The objective of the programme is also one of the five long-term national development objectives, which is to "achieve a fair distribution of goods, services and income between the people in different parts of the Kingdom" (p. 14). It may be noted that rural and regional development are usually treated together, as both being a form of decentralized planning.

Strategies used in this area are said to aim at increasing the amount of resources directed to rural areas and island groups with lower than average per-capita income and which have a potential for further development; in the case of regional development they are focused upon island groups (DP4, pp. 15, 93. For a broader treatment of this topic, see DP4, Ch. 7.). Practically all government ministries and agencies are involved in rural and regional activities, which are then coordinated by the Rural Development Committee (RDC) formed in 1979. Some non-governmental organizations, e.g. the churches, are also active in this area. The overall development strategy is stated in DP4 to be as follows:

> The overall rural and regional development strategy is to fully incorporate the village and regional dimensions into the national development process and to provide assistance to rurally and regionally oriented sectoral development efforts. In this context, rural self-reliance and sustainability is accorded high priority. The national development objectives of increased production and fair distribution of goods and services will be given particular attention in this strategy. (p. 100)

A variety of specific strategies and approaches is then proposed in this area whose aim is to identify and prioritize regional development needs and to prepare a plan based on such needs. In this connection two factors are given prominence, involvement of the rural population in rural development (see the section on Participation) and the establishment of a solid socio-economic data base. Specifically, studies will be undertaken involving, for example, collection of

information about villages and regions, preparation of social and economic profiles of all Tongan villages and assessment of development needs in the rural areas at the end of the period of each development plan to be used for the evaluation of the effectiveness of rural programmes for the following period (p. 103). One strategy also proposed involves development workshops to be held in the regions whose participants would be not only government officials but also local community leaders.

Regional planning has also become an important part of national planning in Western Samoa (See DP4, Ch. 13). Although similar in its objectives to regional planning in Tonga, Samoa pursues a somewhat different course in strategies and approaches used. Regional development is conceived primarily in terms of the spatial aspect of development, as aiming "to promote a spatial distribution of development efforts that is conducive to human welfare, enhances overall economic development, and is in accordance with a responsible utilization of natural resources" (p. 62). It focuses mainly on the question of which regional programmes would be best for overall progress and where they should be located. The principal strategy advocated in regional planning is land use planning, which is to be implemented mainly through the proposed Town and Regional Planning Act. This strategy calls for the analysis of the use of land in four categories: primary urban centres, secondary urban centres, primary village development centres (about 10-12 of such centres are to be created which will act as the focus for developing rural areas) and secondary village centres (at a lower level of services, about 20 of them are to be created). The strategy also involves major mapping and preparation of an indicative land use zoning map and is expected to take at least two years to implement (p. 64). In addition, the participatory element is given emphasis, which is thought to be necessary to make the proposed venture succeed. This involves participation of the local people both in land use planning and in designing such village centres. As stated in DP4 (p. 64), "popular involvement will be an essential feature in order to ensure success," and this is explained as "the involvement of the villages in the regional planning process at all stages ... [including discussions] with village representatives (pulenuu) and Village Councils" (p. 63).

Like in Western Samoa, the pursuit of regional development in Vanuatu involves an emphasis on spatial development, and growth centres are the principal strategy to achieve this objective. More fully, promotion of "balanced regional and rural growth" is declared to be one of the six government objectives during the

period of DP1 and this is said to involve "decentralization of economic activity by the creation of regional growth centres throughout the country" ("Economic Background of Vanuatu", pp. 3-4). These centres, comprising improved communication and transport networks, are envisaged to generate different types of new development activity, make "rural economies less dependent on the main rural areas" and create new employment opportunities, thus helping "to reduce the rate of urban drift" (Ibid.).

In the Solomon Islands regional development and planning are closely related to the changes that have occurred in the policy towards devolution of political and administrative authority, establishing strong local government. Referred to as a decentralization, this is defined as "handing over greatly increased resources and responsibility to local Councils, and by them to Area Committees; [and] the production of local plans reflecting local needs and wishes" (DP 1975-1979, p. 2). The same principle is followed in the subsequent draft plan, namely, to "develop provincial governments to enable them to plan, administer and execute the development of their provinces within the framework of national development policies and priorities" (p. 229). The same idea underlies the latest policy directives in the booklet "National Economic Development Policy" where it is stated that

> In compliance with the principles of decentralization and participation of provinces in the decision making gprocess, the National Government will consult and seek advice on potential areas of investment in the provinces . . . Priority will be given to projects involving provinces and with shares to provincial government and landowners. Technical and investment advice will be provided by the national government and the appropriate Statutory Authorities. (p. 3)

Planning is sometimes looked at with suspicion as tending to centralize power. Therefore firm steps should be taken to decentralize the planning system. This is a point made in DP 1975-1979, in its phrase, "The process of planning tends to centralize power unless it is deliberately directed to the opposite. In line with the overall objectives, the discretion to plan and decide matters which are of local application, affecting only one Council area, and capable of being dealt with at the local Council level, is to be firmly decentralized to Councils" (p. 69). In this connection it is also recommended to assist local councils to deal with technical problems of planning and to encourage the Ministry of Home Affairs to help them

develop the ability to make and carry out their own realistic plans for local development. In addition other ministries are warned to take care not to detract from the planning powers of local councils.

In Fiji, too, the regional component in development planning focuses on the spatial aspect of national development. Its early example is DP6, Chapter 7, entitled "Regional, Urban and Rural Development." This chapter identifies major divergences in development resulting from regional variations in geographical character and resource endowment, which "are primarily manifested in wide variations in standards of living" (p. 79). It also identifies divergences between the country's rural and urban areas, including inter-ehtnic disparities. The prinicpal strategy then, in the early 1970s, to overcome or reduce such divergences was the Rural Development Programme. This was conceived to lead to the establishment of development committees at district and divisional levels, based on elected members with equal representation from the two dominant ethnic communities, Indian and Fijian, which would participate in "the preparation, coordination and execution of a diverse range of projects" (p. 82), including both government-executed projects and people-generated "self-help" projects.

A more comprehensive approach to regional planning is reflected in the subsequent DP7, involving the identification of potential growth centres in rural areas, which "would then become focal points for agricultural, industrial, social, communication and other developments" (p. 5). In this plan the original aim of regional planning remains essentially the same, "better and effective distribution of the benefits of economic and social progress" (p. 230), and prevention of "marked urban drift and its concommitent social evils" (p.5) is also mentioned as an important objective. To achieve these objectives, the plan states, "it will be necessary to coordinate quite closely all facets of economic, social and physical planning both at the central and also at the regional and area levels" (p. 230). A special emphasis is given to the need for close cooperation between the Central Planning Office and the Directorate of Town and Country Planning especially at the regional or area level.

DP8 claims to go further than the previous plans in the direction of regional planning. Although it follows the previous plans in its commitment to "a more geographically balanced pattern of economic and social development" and to "a more equitable pattern of income distribution" (p. 334), it also identifies the means

for implementing these objectives. Briefly, the proposed strategy is said to involve "a comprehensive system of planning and coordination" and is described as follows:

> During DP8 there will be specific programmes for regional development through a concerted effort to locate development activity in those areas with potential which hitherto have remained underdeveloped; furthering of urban-rural linkages, and increased national economic integration through four specific strategies: a rural centres network, rural infrastructure development, reigonal industrial policy, and increased decentralization of regional decision making. (p. 25)

The regional strategy is thus a package of activities, focused on rural development centres, including new rural infrastructure, industrial growth and increased regional autonomy. The last strategy, increased autonomy, is said to be in addition to the already devolved district and divisional machinery and is identified with "a degree of budget decentralization and budget restructuring possibly depending upon regional per capita incomes, population and potential" (p. 25). The strong emphasis on regionalization in this document is reflected in the fact that the whole Part Three of its Volume I is devoted to "Regional Development: Policies and Programmes" and that the whole Volume II comprises a "Regional Plan."

A number of questions about regional planning and decentralization of planning in the context of development has been asked in the interviews. The main questions are reproduced: What do national planners in the South Pacific mean by regionalization or decentralization of planning? Are they proposing to extend their presence to the regions? How is the regional interest in planning related to the national interest? What are the principal strategies used in this area? Are decentralized approaches in planning expected to improve implementation of development programmes and projects? How does the participatory element come in? Is the objective of this strategy that the state should penetrate more deeply into the economy of the country (to control it more effectively) or merely to help local authorities to develop or improve their capabilities for administration and planning? A variety of answers has been received to these questions which are in part reproduced in the following section:

> The initiative to decentralize is not so much on the planning side of DPO, but rather on the side of planning for administration and implementation.

There is a need to strengthen and consolidate the organization of my ministry at the local level so that it can deliver the goods more effectively . . . If there is to be a regional planning officer, his function, like that of our regional planning unit, would be to identify objectives that you find in the region, to link into their regional divisional teams through the office of the commissioner and to inject a technical input in terms of facilitating and improving project preparation, identification, evaluation and coordination, which are planning functions that we are also expected to perform at the centre. We find that there is a weakness at the divisional level, because people there who are called "development planning officers" are actually not in planning but assistant commissioners . . . Our intention is to work towards additional development in development planning, where you have divisions in a position to make their own decisions and get our people to work with them.

In the previous development plans the emphasis was placed on sectoral planning but now the direction is towards regional planning. Planning occurred at the national level. But what may look favourable from the national point of view may be to the advantage of only major urban centres while rural areas are left behind . . . The present regional orientation in DP8 is based on a UN study on regional planning policies done in Fiji in 1976. This was a comprehensive study and provided the conceptual and theoretical basis of DP8 for regional development.

In extending our administrative process to the regions, what we actually have in mind is to have more basic changes involving increased regional autonomy, where planning and everything is done from the regional level. To this effect it was proposed that we have CPO officials at the regional level. But at the moment the intention to decentralize to the regions has not been implemented, as there is a lack of trained manpower and insufficient funds to set up new offices in the regions. But I think that this will come about in not too distant future.

Our position with regard to regions is still in the process of being defined. There have been discussions about regional planning since DP5, but as far as I know nothing has happened in the regions. Perhaps if we have a CPO officer in the region, his role would be supportive rather than to initiate, and of course he would provide us with information about the region which

is often lacking. So, our power would be more on the line of coordinating, sometimes initiating or broadening the scope of development activities and getting more feedback to the CPO.

Given our staffing situation and other resources, centralized regional planning may be better. I believe development in Fiji has followed centralized planning.

In regional planning (which is still conducted from our central office) we have now more local participation than in the past. We have consultations with divisional and district government teams. We survey the area and carry out consultations with the people. We then try to get a clear idea of the state of development in particular areas and to find out what kind of development the people there want. This will also give us an idea about their basic needs.

The present centralization of planning means that most of our planning officers are stationary. It would make a difference if we decentralize because we can then get to the grassroots level and have a first-hand look at things rather than depending on reports and data collected or sent to us. Also information and data from ministries are not always correct. A first-hand look at the situation and frequent discussions with the people would change the outlook on planning.

The problem with regional planning in Fiji is that it is a new departure in planning. But it has not been clearly defined where it fits into the whole planning process. Also it is not clear how it fits into the entire government structure. The amalgamation of the sectoral and regional planning unit (which is a recent development) is superficial. We need a deeper structure, which is more important.

Divisions don't have plans. The DPO (District Planning Officer) is only an administrative position, a deputy to the commissioner. I think the idea of the CPO was actually to put a planning officer in the division. What may not have been fully worked out is what his status would be, whether he would come under the CPO or the commissioner. But there was, at least at one time, a proposal to put CPO people right up in the division. As far as I know, it has never quite got off the ground.

[Fiji]

In Tonga I would say that some kind of decentralization is taking place. The government has apparently realized the need to provide more assistance to rural areas and to outer-island regions. Most of the government expenditure and most new projects are concentrated on Tongatapu, particularly Nuku'alofa (the main island and capital town), yet it is really the people in the rural areas who generate production and exports, especially agricultural exports. The reason for decentralization may be to bring about a better balance in development, a more equal distribution of national wealth.

[Tonga]

Our planning directions are to help people identify their needs and to decide what they want themselves. But this is not the whole planning direction. We want to express the aspirations and wishes of the local people to the maximum extent, but at the same time the central government will see to it that the total direction is in conformity with national planning.

The first five-year development plan reflects more or less centralized thinking - planning from the top to the bottom. Now, however, we want to make sure to get from the bottom to the top and cross check.

Another aspect is that we want to have an annual implementation plan. This exercise will involve centralized thinking and a regional line of thinking at the same time.

The concept 'regional planning' involves relative independence. The idea is reflected in Melanesian culture, island chiefs and so forth, in the idea of people electing their own government leaders . . . In the long run we hope to see the regions establish planning offices of their own, but at the moment they are lacking the necessary manpower. Regionally-initiated projects will be part of national planning.

We have definite centralized regional specialization and diversification in projects, but we want to make the local people happy by responding to their needs and aspirations. Their projects are small. People are interested in water supply, football grounds, access roads, jetties, like that. With only these interests, we could not prepare a plan. So what we

do is a kind of compromise of reconciling exercise between our own mainstream plans and people-initiated ideas of development.

Our offfice is also involved in the evaluation of regionally-initiated projects and in making recommendations. On the procedure that has been proposed, our recommendations would be reviewed both at the national level (by a newly-created Central Development committee composed mainly of ministry and department heads who would coordinate the different sectors) and at the regional level by the Regional Development Committee (composed of the presidents of regional councils). Through the two committees these projects would be related to our office.

There are also many other strategies touching on regional development. Our basic concept in regional planning is to create regional growth centres. This is not new, many countries have tried it, but we want to take advantage of a new situation, as we are creating eleven political regional centres. The Planning Office wants to make these also economic centres. This is to be done by providing the basic infrastructure, island wharves, warehouses and shops. We have contacted the Development Bank and encouraged it to open eleven bank branches. In some islands they have not seen a bank before. We have already decided where these centres are to be located. An engineer and an economist came and evaluated all aspects of this. Also the Planning Office has designed a big warehouse in such a way that a half of it can be used for copra, another half for merchandise storage. We have also recommended that a Development Bank office be located there, next to it a cooperative savings bank as well as the office of the Copra Marketing Board and a general merchandise shop. The underlying idea in this is that people will bring copra there, sell it, use the building facilities and also they can talk business with the Development Bank. If this is successful, island people will have the confidence that our planning leads somewhere. I think this psychological confidence is very important. So the Planning Office is actively seeking to promote this basic infrastructure, wharf construction and warehouse. Certain difficulties exist, however, because aid donors are normally very reluctant to provide infrastructure. So we are now interested in low-cost construction, including warehouse and housing.

Incidentally we do not rule out the possibility that in some islands there will be more than one centre or that already existing centres will be used with appropriate modifications and improvements.

In regional planning we have to consider income distribution or balanced benefits among the islands. At the moment, however, we are more interested in the regional factors of production. One island has some special endowments or natural resources, the other has sunshine and beach, so we want to utilize these resources first. Later on, one island will be richer, another relatively poorer, then we'll consider the issue of equity. This is also connected with the idea of growth centres. A more equitable distribution will be mentioned in our next 5-year development plan.

Q. Do you think that decentralization will improve implementation of development programmes? Presumably the regional people could keep better track of their own development.

A. It will help but not at the moment, for the regional councils have been established only recently and only four are operational. But it will help, I think. These councils are regional governments. They have their presidents and their elected councils.

We want everyone to take part in the planning process to make people feel that they are part of our planning for development. At the moment these regional governments are supposed to prepare their own regional plan. We are still not sure how we are going to do it; the regions are still in the process of developing their administrative systems. They don't have the people. In the meantime things have to be handled from the centre. However, at present this office is drafting different papers about these issues and proposing different options which will be submitted to cabinet for its decision.

Whatever there is in regional plans, nothing is new. We don't want them to be another shopping list. They will be based on the national development plan. But I think regional plans may help in the implementation of national plans, will make things work better, ensuring that they are moving. Also they should give some chance to the people to identify their needs.

At this stage we cannot really get down to the regional level. One reason is, of course, lack of staff in this office that could help them and the other is that regional governments have just established themselves. I don't think we really know how we are going to handle regional planning or get down to grassroot level, although the present government gives this a priority. Still, we try to help at the regional level. One idea that has been advanced is to send one staff member to be based in Santo to look after the northern islands and another to the southern islands. This involves 2 more officers, and just one single person to go there for about 3 months to talk to the chiefs or local government officials to see what their problems are, particularly in implementing development projects. That doesn't mean that our officers are going to implement their projects, because implementation lies with the ministries, not with the planning office. We just try to follow the projects to make sure that things will happen.

The idea underlying decentralization is that we should give a chance to the people in the islands to determine what their priorities are rather than sitting in the headquarters and deciding for them. It involves political, administrative or development aspects - all of them. Ideally each regional unit should have its own development or planning office. But not immediately; we don't have the people to do this. But I think in the long run that's what's going to happen. I think people in the islands should choose for themselves. In the meantime we'll give them suitable advice whether their planning is good.

[Vanuatu]

The discussion of this section has led to several findings about the nature of regional planning in the countries of the South Pacific. First, some form of planning focused on regions or of decentralized administration for development planning is present in all Pacific countries. It has been justified by a need for a more balanced or equitable type of national development or a desirability for increased people's participation in decision making. In some Pacific countries it is associated with increased local autonomy or self-reliance, being viewed as helping the rural people "to identify their needs and to decide what they want themselves." Equity or increased autonomy need not be, however, a decisive factor in favour of

regional planning. Rather, this may be associated with the idea of more dynamic exploitation of some special endowment or resource which particular regions have and the other regions do not have and which may substantially increase the productive capacity of the economy. Regions with a high resource potential may thus be given preferential treatment in the allocation of financial resources, at least during the earlier stages of development planning. As the Vanuatu chief planner puts it,

> In regional planning we have to consider income distribution or balanced benefits among the islands, but at the moment we are more interested in the regional factors of production. One island has some special endowment or natural resources, the other has sunshine and beach, so we want to utilize these resources first. Later on, some islands will be richer, another relatively poorer, then we'll consider the issue of equity.

Second, it is generally accepted that regional planning is only a part of national planning and that it must be consistent with national interest or at least must not be contrary to it, that is, that national interest takes precedence over regional interest. As expressed by two planners quoted earlier, "Whatever there is in regional plans nothing is new. We don't want them to be another shopping list. They will be based on the national development plan," and "regionally-initiated projects are part of national planning."

Thirdly, a host of strategies has been introduced by all Pacific planning systems to stimulate regional development. The most prominent of these, now widely used, involves the creation of growth centres in the rural areas. Reflecting a spatial approach to national development, such centres are meant as focal points for diffusing development in these areas and are usually carefully designed. In Vanuatu, for instance, they comprise the most basic facilities for stimulating modern-type eonomic development, such as basic infrastructure, island wharves, warehouses as well as banking and marketing facilities. In this case, their aim is said to be not only economic but psychological. They are expected to give a significant psychological boost in changing people's attitude toward modernization, encouraging people to react more positively to government efforts at development planning. In the phrase of the leading Vanuatu planner cited above, "If this is successful, island people will have the confidence that our planning leads somewhere. I think this psychological confidence is very important." Or in Fiji, for example, such growth centres are intimately connected with such modernizing

in the rural areas as rural infrastructure, industrial development and increased local autonomy. It may be noted that the principal input with regard to regional strategies has come from UN agencies which have conducted research and made recommendations. In Fiji, for example, a UN study of regional planning prepared in 1976 is said to have provided the conceptual or theoretical basis of DP8 planning for regional development.

Finally, the discussion reveals two basic tendencies as to the form which regional planning takes or ought to take. The first is towards centralization. This involves the idea of increased penetration by central planners of the whole process of economic and social development and of tight control over national resources by the centre. The second tendency is towards decentralization, where the role of central planners is to develop and strengthen the capabilities of local or regional authorities for development planning. There is, however, considerable lack of clarity about the role of planners in the regions as well as about the boundaries of respective jurisdiction between national and region-focused planning. Frequently, the two tendencies appear to overlap, as some planners perceive themselves performing both these functions. Or sometimes the boundaries between them are hazy, such as in Fiji, where the political and administrative standing of regional planning and development has not yet been clearly defined, being still subject to discussions by the parties concerned.

Which of these tendencies is likely to prevail in any particular Pacific country seems to depend largely on at least two conditions. One is the prevailing political framework. For instance, a strong commitment to local autonomy makes it imperative to view development planning in terms of increasing regional planning capabilities and tends to encourage the establishment of regional planning offices, which then are likely to operate in relative separation from the central planning office. An example of this are the Melanesian countries of the South Pacific, Solomon Islands and perhaps Vanuatu (if not now, then in the future), where the feeling of local autonomy is strong. The second condition affecting the form of planning is the smallness in size and population of Pacific countries. This makes it possible to use the central planning mechanism effectively without decentralizing the organization of planning or without discarding the popular, participatory element. An example of this appears to be Tonga and Western Samoa. In Tonga the tendency to centralization in planning may, of course, be aided by the presence

of a political system that involves both strong political and cultural unity. Some such basic differences among planning systems in the South Pacific will be briefly elaborated.

In Fiji the form of regional planning appears determined by a particular set of conditions prevailing in the country. In the context of the small Pacific island countries this involves a territory which is relatively large both in size and population, a relatively advanced economic system and a relatively centralized political and administrative system. The last characteristic is also reflected in the country's planning system. This is highly centralized and well developed at the national level, but relatively underdeveloped at the regional or local level, where almost all planning functions at present are performed by the Central Planning Office, for, as one Fiji planner puts it, "divisions don't have plans." This has created a vacuum in sub-national planning. The issue that arises is how to fill this vacuum in Fiji national planning, which of the two, centralization or decentralization, should be the dominant form in planning. It is likely that further development in, and increased effectiveness of, Fiji's machinery of planning will depend at least partly on the ability to resolve this issue.

Answers received in our interviews indicate that Fiji planners have their own ideas, expectations or preferences about planning arrangements in the country's regions. All seem to recognize the need for developing an effective sub-national planning system, which is viewed as likely to enhance the effectiveness of national administration and policy implementation, and so of development. All also seem to imply a form of decentralization of the organization of planning. These two ideas have been neatly summarized by one planner who puts it as follows: "The initiation to decentralize is not so much on the planning side of CPO, but rather on the side of planning for administration and implementation. There is a need to strengthen and consolidate the organization of ministry at the local level so that it can deliver the goods more effectively."

Principally two ideas have been advanced as to what form such decentralization should take. One involves strengthening of the local administrative machinery and with it locally-based planning. Planning functions at the regional (or 'divisional') level at present are not performed simply because there is no-one to do so. The so-called Divisional Planning Officer is not really a planner at all but an administrative assistant to the Divisional Commissioner. The CPO, by establishing its presence in the regions, offers to help the divisions to run their own systems of

planning, at least for dealing with divisional projects and programmes. Sometimes this view of regionally - based planning functions is related to more basic attempts at reorganization of regional administration, involving increased regional autonomy. This frequently involves an 'integrative' approach to regional development, which, some maintain should centre on the figure of the Divisional Commissioner whose central position in regional administration would be revived. (He was the principal agent of government during colonial times.)

The second idea involves a strong presence of the CPO in the region, having a man from CPO on the spot, which is conceived as changing the practice of regional planning in a desirable direction. It would enhance the efficiency of national planning mainly by obtaining first-hand information needed for development and by better monitoring development projects as well as by involving the rural people in the process of development planning. The present practice of doing regional planning all from the centre is rejected as unsatisfactory and undesirable. In the statement of one Fiji planner,

> The present centralization of planning means that most of our planning officers are stationary. It would make a difference if we decentralize because we can then get to the grassroots level and have a first-hand look at things rather than depending on reports and data collected or sent to us. A first-hand look at the situation and frequent discussions with the people would change the outlook on planning.

Despite the absence of decentralized planning at present, some progress in such direction has been recognized. "In regional planning," states the same planner, "we have now more local participation than in the past. We have cosnsultations with divisional and district government teams. We survey the area and carry out consultations with the people . . . to get a clear idea of the state of development in particular areas . . . and . . . about [people's] basic needs."

On the whole, planners do not seem to view attempts at decentralization of planning as involving increased technocratic penetration into the economy of the country and so as increased centralization. Rather, they perceive their task to be to help regional authorities to facilitate and coordinate their planning activities and with evaluating and monitoring regional projects, only sometimes in terms of initiating such projects, although they admit that future procedures and jurisdictional boundaries still remain to be defined. As one central planner quoted earlier puts it, "perhaps if we have a CPO officer in the region, his role would be

supportive . . . [and to] provide us with information about the region which is often lacking. So, our power would be more on the line of coordinating, sometimes initiating or broadening the scope of development activity, getting more feedback to the CPO." Similarly another Fiji planner focuses his argument on the strengthening of planning capabilities of the local units, stating that "our intention is to work towards additional development of development planning where you have divisions in a position to make their own decisions and get our people to work with them." On a similar line, another planner emphasizes the importance of regional team-work for effective regional planning and development. He perceives the planner's role as being "to identify objectives that you find in the region, to link them into their divisional teams through the office of the commissioner and to inject a technical input in terms of facilitating planning and improving preparation of projects, their evaluation and coordination," which at present is not done. Even more strongly, another planner declares that "In extending our administrative process to the regions, what we actually have in mind is to have more basic changes involving increased regional autonomy, where planning and everything is done from the regional level." These reactions of Fiji planners seem to indicate that for the most part they perceive the proposed decentralization of planning not as increasing the power of the centre but rather as tending to enchance and strengthen the region-oriented element in the country's planning and development, although the two tendencies need not always contradict one another.

Whatever intentions about regionalization of planning prevail among the Fiji planners, however, the reality reveals that such intentions have not materialized and are probably unlikely to materialize in the near future. "At the moment," declares one planner, "the intention to decentralize to the regions has not been implemented." While another planner, tracing the commitment to regionalization to two previous development plans, concludes that "nothing has happened [so far] in the regions."

Several reasons may be given to explain this situation. The most obvious one, which may be the official justification for nonaction in this area, is a lack of resources. "There is a lack of trained manpower and insufficient funds to set up new offices in the regions," says one national planner, while other planners frequently add other constraints, not only administrative but also economic, such as underdeveloped rural infrastructure and limited local market. Another argument highlights the lack of capabilities in the country's regions (divisions) to do their own

planning. Thus, in performing such functions the regions would have to depend on the centre where the skills and expertise are, which seems to negate any meaningful claim on their part to genuine local autonomy and planning. Also, the existing regional administrative arrangement under the Divisional Commissioner (based on divisions and comprising districts, to which popularly elected councils are attached), and which operates under the Ministry of Fijian Affairs and Rural Development, (later only the Ministry of Rural Development) may be inadequate both politically and administratively to look after a whole array of specifically regional interests and problems, whether economic, social or political, or to exercise adequate leadership without a major reorganization of the whole regional system. For, unlike in Solomon Islands, regional divisions in Fiji do not represent genuine autonomous governmental units. Indeed, attempts at increasing the power of the existing system may only give more power to one ministry as against the other ministries, which in turn may create new frictions or problems, thus confounding further the issue of ultimate responsibility for regional planning and development.

Problems generated in the area of organization of regional planning are sometimes viewed as being of a temporary nature and as due to the newness of this concept. As one planner puts it, "The problem with regional planning in Fiji is that it is a new departure in planning." The same planner is, however, optimistic that the present system will continue developing and that regionalization "will come about in not too distant future." This planner also calls for a clear definition of regional planning in the context of the entire government system, which he seems to believe would enhance the chance for meaningful regional planning. In his statement, "it [regional planning] has not been clearly defined where it fits into the whole planning process. Also it is not clear how it fits into the entire government structure."* It is evident that his argument assumes the desirability of regional planning.

The discussion on regional planning in Fiji has suggested considerable indecision, if not ambiguity on this issue, a possible divergence between the rhetoric and reality of regional planning. This may not be accidental. It may be

---

*He rightly identifies later actions in this area, such as the amalgamation of sectoral and regional planning, as "superficial", insisting instead on the "need [of] a deeper structure, which is more important."

not to perceptions of planners, but rather it may reflect certain attitudes present at the level of national decision making and perhaps among some of the country's bureaucrats. At the political level there may simply be no strong political will or genuine interest to pursue the course of regional development at this stage in the sense of increasing local autonomy, as this would involve a question of major redistribution of power, which may not be welcomed by many actors in politics for many reasons. More broadly the opposition is likely to occur on a variety of grounds. The main of these involve considerations of practicality (e.g., availability of resources, such as adequate finances and manpower), of bureaucratic politics (where top bureaucrats may show hostility to all major shifts in administrative power or may be genuinely convinced in the superiority of actions from the centre) and political and administrative undesirability (associated with distrust of local leadership, whether because of their traditionalism or their lack of technical knowledge and resources). Under these conditions, concentration of power and resources may still remain the most attractive or realistic alternative for Fiji's decision makers, especially as this is usually viewed as the better, more dynamic approach to the pursuit of national development, which they profess to be their most important priority.

In contrast with the other countries of the South Pacific, Melanesian countries indicate a more truly region-oriented dimension in their national planning, which follows decentralization of their respective political and administrative systems. This is reflected, for instance, in reactions of planners in Vanuatu. According to one of them, the concept of regional planning "involves relative independence. The idea is reflected in Melanesian culture." Or as another has put it, "The idea underlying government decentralization is that we should give a chance to the people in the islands to determine what their priorities are rather than sitting in the headquarters and deciding for them." Or in another passage, the idea of people's participation is directly related to planning: "We want everyone to take part in the planning process to make people feel that they are part of our planning for development." Regional planning is, then, identified with the ability of the people in the islands to decide themselves about the nature of desirable development, to set their priorities and actively participate in the nation's planning process. Moreover, such ability is attributed to an indigenous cultural trait. At the institutional level, this Melanesian concept of regionalization seems to imply that each region should have its own separate planning unit and should conduct its own

planning. Realism, however, dictates modification of such an ideal situation at the present stage of regional development and a need for continued central guidance in regional planning.

Centralization remains thus the prevailing approach to development planning both in Polynesian and Melanesian countries, despite their explicit commitment to decentralization or regionalization of planning. Several reasons have been given to justify such continued dominance of centralized planning in the South Pacific. One of these is the presence of major constraints on the mechanism of planning, such as are identified in this study. These make meaningful decentralization of planning functions impossible to achieve. Two constraints given prominence are lack of qualified planners and the fact that regional government units are only of recent origin. For these reasons it is contended that it may take a long time before these units will develop the necessary capabilities for development planning. As one Vanuatu planner quoted earlier puts it, "I don't think we really know how we are going to handle regional planning or get down to grassroot level."

Another reason for centralization of planning is that centralization is supported by orthodox organization theory, being viewed as necessary in the early stages of the life or organizations. "You cannot decentralize unless you centralize first", declares the theory implying that decentralization can only follow a successful integration of functions. This point has been explicitly recognized in Vanuatu, where, as noted above, concern for dynamic central economic development is given preference to spatial concerns in development planning, at least in the early period of national planning. It is also stated that "The first five-year development plan reflects more or less centralized thinking - planning from the top to the bottom. Now, however, we want to make sure to get from the bottom to the top and cross check."

Another argument used to explain the persistance of centralization of government planning is that people themselves may not yet be ready to participate to any meaningful extent in the process of planning. This comes from a Vanuatu planner who contends that people's projects are too small to affect greatly overall national planning and development. As he puts it, "People are more interested in water supply, football grounds, access roads, jetties, like that," adding, "With only these interests, we could not prepare a plan. So what we do is a kind of compromise or reconciling exercise between our own main stream plans and people-initiated ideas of development." This argument implies that although the rural

people are not omitted from planning decisions and provide an input into government planning, 'large-scale' planning, which counts most for development, will remain the responsibility of central planners.

Finally, centralized planning is justified by existing social values and attitudes. A deeper commitment to regional planning, indeed to some form of regional orientation, is said to require development of a new set of values and mutual interests specifically focused on the regions rather than on national units or traditional social divisions. Such development of region-focused values, however is likely to involve only a gradual process and to be accompanied by a period of transition. It is possible that during such a period of transition planning decisions concerning regional development should not always be trusted, as they may not yet reflect a genuine interest of the region. Yet the presence of some such interest is implied in the objectives of regional planning. This has been increasingly viewed as reflecting more than mere national interest or locally-based interests narrowly conceived. Rather, it has been conceived as having to do with questions of equity, participation and enhancement of local autonomy in the context of more spatially balanced national development.

CHAPTER 17

PARTICIPATION AND THE PRIVATE SECTOR

The idea of people's participation in planning has made its appearance in government planning roughly since the early 1970s. It has been increasingly recognized that if development is to be for the progress of man, as it is said to be, man must be allowed to actively participate in it, whether as an initiator of what is needed, as a beneficiary of its fruits or as a participant in the production of new wealth.

A number of things are usually meant when reference is made to people's participation in planning. First, some form of people's sharing in planning decisions about desirable development, such as through consultation with them about their needs. Secondly, encouragement of participation of non-governmental organizations, particularly private enterprise, and the churches and other voluntary organizations in different types of planning and development mostly in the economic, social and educational field. Thirdly, incorporation into the national productive process of those people who have been hitherto largely excluded from it, such as women and the youth, to make them contribute more positively to the production of national wealth. This section focuses mainly on the first two forms of participation, increased involvement of citizens in planning decisions and on private enterprise and voluntary organizations.

A perusal of planning documents in the South Pacific region indicates a variety of approaches to participation in planning and absence of a clearly focused institutional practice. In Fiji, for example, commitments of people's involvement in planning are made only in a general way and, apart from private enterprise, are related primarily to attempts at administrative decentralization or regionalization. People's involvement appears to be perceived mainly as a useful feedback mechanism for national planners. DP7, for instance, refers to the need for "greater and regular involvement of the private sector and the public at large in discussing various matters which are of national interest" and for making "as many people as possible" understand "the basic objective of a development plan, its framework and its flexibility" (p. 231). It is also important," states this document, "that the flow-

back of impressions, ideas and views are monitored and considered." No direct initiation capacity on the part of the people is mentioned in these documents, although DP8 envisages increased regional decision making. It claims that "A certain amount of decentralization of decision making is already devolved through the existing District and Divisional machinery" (p. 338), adding to this a new interest in regional budgeting and regional development grants, meant to strengthen the decision-making capability of the country's regions.

In Samoa references to people's participation in planning appear in the context of regional development (see the section on Regional Planning). They involve the view that the government should take certain actions to bring about more spatially distributed types of national development, such as by land use planning and the establishment of different types of development centres, and that the villages themselves should participate in decisions concerning such actions. In the statement of DP4 (p. 63):

> An important prerequisite for the achievement of the regional planning effort is the involvement of the village in the regional planning process at all stages. The idea of land use planning and its role in national development must be discussed with village representatives (Pulenuu) and Village Councils will be invited to offer their advice and comments on the proposals concerning their areas.

Involvement of the villages in regional planning is expected to ensure success (p. 64). In another passage the issue of participation takes the form of human motivations, the plan being treated as "an instrument for motivating rural people to tackle basic economic activities that would help fulfill some of their basic needs and aspirations" (p. 3).

In Tonga the participatory element in development planning focuses on the private sector. It is, for example, stated in DP4 that "Private sector input into policy will continue to be sought" (p. 344) and that the national plan has been designed "to enhance the efficiency of the relationship with the private sector." This is then said to be intended "to encourage maximum growth of the private sector" and guide this sector "to work within the framework of planned national priorities" (pp. 16, 17).

In Vanuatu the issue of participation seems to be perceived in the broader framework of national self-reliance, involving adequate education which would

create responsiveness of the people to national needs and an increased opportunity for the emergence of a new entrepreneurial class. This is indicated in the following passage taken from a government planning document ('Economic Background of Vanuatu', p. 4):

> Ni-Vanuatu have the potential to achieve in the future a degree of mastery over their economic destinies . . . In this regard an educational system will be developed which can be responsive to national needs . . . A small national entrepreneurial class is beginning to emerge. The Government wishes to promote the continued emergence of national entrepreneurs and the development of new entrepreneurial opportunities.

Or in the same document also participation taking the form of "enhancement of the private sector's contribution to the national development effort" is cited as one of the six objectives of the current Development Plan (Ibid.). Another strategy likely to strengthen participation in planning involves the promotion of "balanced regional and rural growth," which is another objective of national development." (See the section on Regional Planning.)

In the Solomons, too, the term 'participation' is used in planning in several ways. One is as 'local participation', effectively meaning 'localization'. This is defined as "encouraging greater participation by nationals in economic development, including special credit arrangements and the closure of some activities to expatriates" ('A Review of DP 1975-1979', CPO Honiara, 1977, p. 5). Another meaning is found in the declaration on the government's economic policy ('National Economic Development Policy', December 1981), in which the term is used in a somewhat general way, as referring to the desirability of "greater participation of Solomon Islanders in development" (p. 1) or in connection with "the principles of decentralization and participation of provinces in the decision-making process" (p. 3). In another context (in DP 1980-1984) participatory behaviour is identified with the commitment of the government to encourage private enterprise and church activities. It is stated that "the government has an important role in encouraging private investments of the right sort" (p. 3-13) as well to "encourage the churches' active role in the development of the Solomon Islands nation and people" (p. 9). Finally participation in planning is conceived in terms of more direct involvement by the people themselves, taking the form of self-help projects. In this connection it is proposed to introduce a more active community service programme "to involve communities more directly in their own development, to

increase people's awareness of the importance of the communities to which they belong and to act as a catalyst for the initiation of self-help projects" (p. 3-12). It is also proposed that the government's active intervention provide "encouragement and support to self-help groups such as cooperatives" (p. 3-13) such as by the establishment of mobile teams to undertake community development (p. 8).

Questions arising in this section are focused on the extent of involvement of the rural people in planning decisions and in initiating their local projects. Is there any administrative mechanism for enabling them to formulate their demands and for incorporating such demands into the process of national planning? What different forms does their involvement take in the process of planning? How effectively do they participate? To what extent are planners involved in helping them to identify their needs? Have attempts been made to involve the private sector and voluntary organizations in development planning? A variety of answers has been received from our respondents some of which are reproduced below.

> In Tonga, we have community development schemes. The actual initiation of the community-level projects comes from the community itself. The people get together mostly under the leadership of certain community groups or the town officer and identify a need and also how they could assist the relevant project. In most cases they write to us for assistance. If they want financial assistance, they can obtain it through what is called 'small projects fund' or 'rural development fund'.
>
> There is also in existence another process for getting people involved at the initiation stage, to initiate the initiation so to speak. In late 1980, we conducted a regional workshop in the Ha'apai group (in the outer islands) to assist the people to identify their problems and explain to them how they could attempt to solve such problems. In that workshop we had participants from all major government ministries, Industry, Agriculture and Fisheries, Education, Health, representatives from the Water Board, etc. Lectures and discussions were held. We held a similar workshop about four weeks ago on the island of 'Eua and we'll have another one towards the end of the year in two other islands. To make the people there aware of the problems and of possible solutions and also to make us aware what people's problems actually are, how they perceive such problems and constraints on their production, and how they can conceivably improve their production and standard of living.

I think our department has played a very important role in getting this system started, to hold workshops, what we call 'village workshops'. They are held on a regular basis and we do there basically the same thing as in the regional workshops. Only that we sit down with a small community involving one village. In these workshops we then try to compile some kind of a village profile. This gives us information which is very important for planning of projects and their implementation. We can, for instance, identify who the key people in the village are - the pushers and the movers in the village, the local social structure, what is produced in the village, whether they are fishermen or agriculturists - and what their resources are. We also get a better feeling about what the people's intentions are.

A new emphasis on private enterprise in our national planning appears in DP4. The importance of the private sector is given more recognition. Very often when a certain issue affecting that sector comes up, some kind of a working group or committee is formed where this sector is also represented. For instance, commercial sectors are represented in different committees, e.g. shipping representatives in the planning of the wharf programme in Nuku'alofa, or a number of banana growers is involved in the planning of the renewed banana revitalization scheme, and there is a similar committee on coconuts comprising coconut growers. But there is no standing committee as such in existence to coordinate our activity with the activity of the private sector. There are only ad hoc committees formed whenever there is a need to do something, a project, when the input of the private sector can be beneficial.

An important role in the government planning process is also played by the churches. Their representation is very strong, particularly in the rural areas, e.g. in Rural Development Committees. The churches are also active in regional development and some are very active in family planning or home economics. In our relationship with them we try as with all voluntary organizations, to coordinate our respective activities so that there is no overlapping.

[Tonga]

Private and voluntary organizations in Samoa play an important role in national planning. They are very much involved in tourism. We have the Tourism Council under our division, which works with the private sector

and includes the promotion and advertising of tourism, improvement of accommodation as well as the administration of the enterprises' incentives scheme. We have several members of the private sector, particularly business, represented on the Enterprises Incentives Board which evaluates applications for setting up new industries. But the influence of the private sector on overall planning is not so much. This comes mainly from constituencies through politicians.

In Samoa churches are quite active in social planning. They are represented in various committees, for example, in health and public works. And, of course, in education where mission schools are very important.

The public as such is consulted through the various committees in which its members participate and through consultations connected with on-going rural development schemes.

[Samoa]

Regarding our involvement in Vanuatu in village-initiated projects. We don't actually go and help the villages identify their projects. Usually they come up with something like water supply. It is a need. They say, "we need a water supply in our village." They go then to the regional government and from there their request is passed on to the appropriate ministry, which in turn sends it to the planning office. So we are at the centre of things, and there is a way of finding what people in the villages need. And that is important. If planning were only a one-way process from the top, you could not get anywhere.

I think identification of people's needs will be done in the future through regional development plans and through politicians, for instance, in local governments. These have their elective representatives who are supposed to represent their people in the villages, and so can speak on behalf of their people's needs.

In Vanuatu the churches have definitely been involved in many development projects. It is the church really that got people educated, got them to go to school. It has been also involved in social activities, in community self-help and other projects.

> Mobilizing people for development is closely connected with the problem of how to make people think in terms of cash, to produce enough for export and earn cash for themselves. The basic problem is that these people are subsistence farmers. They cut copra when they need money to pay school fees, to buy soap, kerosene; they don't continuously produce copra for cash. We try to tell them: "You have to think in terms of cash." But I think it will take a long time before they can readjust to this kind of thinking.
>
> [Vanuatu]

> In many developing countries planning is done from above; decision makers or planners do not ask people what is wanted. In the Solomons the practice is different. The government has gone right down to the people because of devolution. The process is initiated at the area level through the coopted members who are really members of the provincial assembly. They sit and listen in the meetings of area councils and pass on the information obtained there to the provincial assembly. Also the minutes of such meetings go to the assembly. Or council members call meetings in their constituencies in which everyone is allowed to express his position.
>
> Area councils are very effective bodies as initiators of planning. In fact every proposal must be approved by an area council before it goes to the assembly of the province. Technical assessment is done later at the provincial level, e.g., for health or public works.
>
> [Solomons]

Statements from documents and interviews just mentioned indicate a variety of ways in which people's participation in planning is treated in the South Pacific, and overall dominance of this field by economic planners. Planning tends to be viewed as a technical activity and people's initiative tends to be limited to projects of relatively minor significance, such as self-help activity. There is, however, an increased emphasis on the role of private sector in government planning, which is encouraged by appropriate incentives. These points will be elaborated in the subsequent discussions, which will open with the various definitional forms which the concept of people's participation takes in the area of planning.

Participation in government planning and development (which go together) takes a variety of forms. One of these involves actions undertaken by people in rural communities whose aim is improvement of the local conditions of life. This

has been institutionalized in development plans and is referred to as 'community development' or 'self-help' schemes, although it may also involve the initiation of demands for large-size projects such as roads and bridges as it sometimes does in Fiji. Such community-directed projects are initiated by people themselves, although they have to be approved by government for funding. This practice has been identified, for example, in Fiji, Tonga and Vanuatu. As a Tongan planner puts it, "The actual initiation of the community-level projects comes from the community itself," although government planners may help in identifying such projects. Or in Vanuatu, "We don't actually go and help the village to identify their projects," although, as it will be shown later, village people may be aided by the existing political process. This form of participation is, of course, limited to a relatively minor type of development or planning.

> Another form of people's involvement is through the process of consultation, where people who are likely to be affected by planning decisions are asked to participate in such decisions. In Pacific countries, this usually involves membership in some public body or committee or in rural development schemes. Such participants represent various economic, social or educational interests which range from private enterprise and commerce to agricultural interests, the churches and other voluntary organizations.

Participation also involves a political process. For example, in Solomon Islands the influence of area-level decision making is emphasized and the area participatory mechanism is intimately related to provincial government structures. As one Solomons planners puts it, "The government has gone right down to the people because of devolution. The process is initiated at the area level through the coopted members who are really members of the provincial assembly . . . council members call meetings . . . in which everyone is allowed to express his position." His evaluation of this mechanism is that "area councils are very effective bodies as initiators of planning. In fact every proposal must be approved by an area council before it goes to the assembly of the province. Technical assessments are done later at the provincial level." In Vanuatu, too, the participatory mechanism is closely related to regional government structures. Participation in development and planning is expected to occur primarily through the regional or local political and administrative process, in the words of a Vanuatu planner, "through regional development plans and through politicians, for instance, in local governments," to

which he adds that politicians "can speak on behalf of people's needs." This position is similar to the Solomons' orientation on this issue. This appears to reflect a strong element of democratic self-determination, involving a belief that village people should be allowed and able to generate their own proposals on desirable development and that the new regional structures should embody genuine decision making rather than being a mere instrument of national administration for the delivery of public goods and services as it is often the case in other developing countries.

Lastly, participation involves the private sector. This has been increasingly recognized as significant and desirable by all governments of the region. It includes private enterprise, the churches and other voluntary organizations. All these have been integrated into the context of overall national development planning. In Tonga, for example, the private sector is said to be given "more recognition," such as through membership in relevant public committees. Also the role of the churches is recognized as very strong in the rural areas, e.g. they participate in Rural Development Committees. They are also involved in social and educational activities, which then are coordinated with the work of planners to avoid overlapping. Similarly in Western Samoa, the private sector is represented in several public bodies, such as the Enterprises Incentives Board which administers the government's incentives policy, but, as a leading Samoan planner has remarked, "the influence of the private sector on overall planning is not so much. This comes mainly from constituencies through politicians." Like in Tonga, the churches are active in social planning and are represented in various committees, such as in health, public works and education. The churches are also given prominence in Melanesia. In Vanuatu, for example, reference has been made to their leading role in the country's educational system, to their social activities and their contribution to self-help and other development projects.

Whatever its form, participation in planning is recognized as useful by all planners in the region. It provides the necessary feedback which allows them to assess actual needs or monitor what happens to on-going projects. Certain differences in practice, however, seem to be reflected in different systems. In Fiji, the practice seems to reflect an essentially technocratic approach. Participation in planning appears to be appreciated primarily as a means for providing a valuable feedback and for improving the monitoring system, but it is not explicitly specified what form it takes or should take. Presumably, it would be taken care of by the

existing mechanism of provincial and advisory councils at the district and divisional level which operates under the Ministry of Rural Development. However, as such a mechanism is rather circumscribed and planners are not involved in it, it is unlikely to affect their decisions very much or to be taken too seriously by them. The necessary feedback is likely to come from other government agencies, with popular feedback being by-passed.

This rather technocratic approach to participation may be compared with the practice in other Pacific countries, particularly those which are predominently village-based societies with limited urban development. It is perhaps not surprising that planners in such countries should be concerned with people's own aspirations and needs more directly. Interviews with them indicate that they tend to welcome the initiative in planning at the village level. One Vanuatu planner refers to such initiative as "a way of finding what people in the village need," for it provides a feedback and so should improve the quality of planning. He also adds that "if planning was only a one-way process from the top, we could not get anywhere." Thus preference is given to a two-way process of planning, involving both planners and the rural people, although arguable in practice the top-bottom process still tends to predominate in most Pacific systems, particularly in dealing with major projects.

The usefulness of participation is also recognized in the area of private enterprise and of the churches and other voluntary organizations. The private sector is given a particular emphasis, being viewed as a crucial element in efforts at dynamic economic development and being given appropriate incentives. However, at the organizational level, neither the private sector nor other non-governmental organizations are integrated into the process of planning. Their involvement tends to be merely ad hoc, such as through ad hoc committees established to deal with some specific policy issue or area. There are no institutional arrangements to link these interests to the mechanism of national planning, or such arrangements may be only at an initial stage. This, of course, seems to reflect the relative weakness of private enterprise and of other non-governmental organizations in the present national system. It is, however, likely that the private sector will be taken more seriously in planning in the future, once it grows significantly in strength and importance.

The discussion also draws attention to at least two other dimensions of participation. One is the positive role sometimes played by national planners in the

Pacific in generating or initiating development programmes or projects. In Tonga, for example, planners use several devices to mobilize people for development. One of these is the practice of holding regional workshops whose aim is "to assist the people to identify their problems and explain to them how they could attempt to solve such problems" as well as to "make us aware what people's problems actually are, [and] how they perceive such problems and constraints on their production." In addition there are village workshops held on a regular basis where "we then try to compile something of a village profile." According to Tonga's planners, this gives them information which is very important for project planning and implementation. As one of them puts it, "We can, for instance, identify who the key people in the village are - the pushers and movers in the village, the local social structure . . . and what their resources are. We also get a better feeling about what the people's intentions are." This practice in Tonga, if successful, may have important implications for the position of national planners in generating development. It seems to indicate that guidance that has been traditionally provided by political means can now be provided by administrative means, that, given dynamic action, politicians may not be needed very much for mobilizing the rural people for development.

The other dimension affecting participation involves people's motivations and attitudes to development. As a Vanuatu planner quoted earlier sees it, successful mobilization of the rural people for development depends to a large extent on developing new values in the rural areas, on people becoming development oriented, and this is closely connected with "how to make people think in terms of cash, to produce enough for export and earn cash for themselves." He also adds that "it will be a long time before they can readjust to this kind of thinking." Perceived from this perspective, the prospect for more dynamic participation in planning appears to be weak, at least in the near future. This has to do with the prevalence of traditional values and neither politicians nor planners can perhaps do much about it and expect a positive response to planning too soon. However, this social condition affecting planning draws attention to the need to view the issue of participation in a broad way and to relate it to other aspects of development. In particular, it seems to be closely related to the need for relevant educational facilities to bring about a change in people's overall attitudes and values.

CHAPTER 18

PLANNING AND TECHNOCRACY

The emergence of development planning is frequently associated with increased technocratic orientation in national planning. This is so, because development planning tends to highlight the role of professional planners whose general outlook is said to be technological or technocratic. It is argued that because of their professional training, mostly in economics, planners show preference for the use of economic and management models of advanced technology and science and tend thus to turn the course of development and planning in a technocratic direction. As their influence has spread widely and has penetrated deeply, the influence of technocracy is said to have risen in a comparable way. The technocratic orientation is identified with attempts at rationalization of economic and social systems and with excessive emphasis on technical elements in decision making and in strategies used in development and planning activities.

This section examines briefly the applicability of the technocratic thesis to the countries of the South Pacific as this is perceived by their national planners. It considers the question of the place and influence of planners in the government system. Can planners be said to be in a favourable position in this system because of the special knowledge or skills which they have (and which are so much in demand) and which the others do not have? Will not the frequent use of planning agencies by other departments lead to increased dependency of such departments on planners and their subsequent control by planners? Should planners become new leaders in development? The interviews, partly reproduced below, give at least a partial answer to these questions.

> I do not think planning should be seen as a technocratic exercise. It is a highly political process, one which involves a lot of judgement, a lot of which cannot be based on logic and rational consideration, especially when you look at a small, externally vulnerable economy like Fiji and the kind of social fabric that we have, a multi-racial society.

I think what is increasingly important is not their huge and grandiose planning process. I'll give you an example. On the budgeting planning side we have the Budget Coordinating Committee, and this is an effective planning instrument.

We are only advisers. At any rate the plan is there as a framework. In the project evaluation work we measure projects against that framework. This includes objectives and strategies. And if cabinet is unhappy, they can and do overturn our recommendations. There have been cases where politicians were not happy with the selection put before them. They refused to rubber-stamp it.

Whether, because of frequent use of planners by the ministries, there is increased dependence on them? I wouldn't draw too much conclusion from that. I think basically the whole idea of planning was a new idea. Some of the ministries might not have a clear idea what was expected was to do an actual draft and then start from that point. And we, as we were in the same office, were able to discuss the format of various chapters and how to present the plan.

To answer your suggestion that at least at a later stage dependence on planners may grow and ministries may find themselves guided, even misguided, by them. This is not necessary at all. I can think of a hypothetical situation where a ministry may refuse to cooperate altogether. I think in some cases where the situation may not have been handled as well as it could have been handled, there may be elements of that. Also all ministries may not have the people. What often happens is that a particular person in a ministry has been assigned to liaise with the Central Planning Office. But due to his other duties, it is sometimes difficult to get the person to devote himself full-time to this planning function.

[Fiji]

It is true that the process of planning involves what planners are doing. But it does not necessarily follow that planning is an administrative rather than a political process. After all, approved projects still have to fall in line with the objectives of national development plans and of national planning.

> To answer your question that sometimes leaders or governments worship development and think that unless there is development, their countries won't last. I really don't know whether this is true in our country. I would perhaps hate to see that our politicians think that I don't know whether to call dependence on planners good or bad, but perhaps heavy dependence on planners is not good for democratic politics. I would personally hate that to happen. At the moment we are trying to get away from such an approach. Experts should do what the people want them to do. The initiation should come from below, the people, moving upwards.
>
> [Vanuatu]

Answers of all the respondents in the South Pacific who have reacted to questions about technocratic orientation indicate an essentially identical belief about and attitude to the position of planners in government systems. First, regarding their self-perception of their role in government systems. This they view as a technical role, basically subordinate to that of politicians. They deny a superior, priviledged place for themselves. Rather, they perceive themselves as advisers to decision makers and uphold that the basic political framework always is and should be the standard by which to judge the validity of their actions. It is emphasized that all proposals coming to them are ultimately judged by their consistency with development plans and that these are essentially political documents. This general outlook is reflected in quotations given in the earlier part of this section. For example in Fiji, "We are only advisers. At any rate the plan is there as a framework. In the project evaluation work we measure projects against that framework ... and if cabinet is unhappy, they can and do overturn our recommendations. There have been cases where politicians were not happy with the selection put before them. They refused to rubber-stamp it." Or in Vanuatu, "It is true that the process of planning involves what planners are doing. But it does not necessarily follow that planning is an administrative rather than a political process. After all, approved projects still have to fall in line with the objectives of national plans and of national planning." On the whole this argument seems to imply rejection of the technocratic idea of planners' superiority.

Second, with regard to the influence of planners in government systems. Also in this respect the limitation of planners' influence is highlighted. It for instance, argued that one should not judge their influence by "grandiose planning documents"

but simply by technical efficiency of their actions. Also not too much meaning should be read into the practice of some departments to rely heavily on the service of planners. This is due largely to practical reasons, such as a lack in them of required skills or people. Moreover, there have been numerous cases of non-cooperation between particular departments and planners.

The technocratic thesis is also rejected for another reason. It is said to be unsuitable for the particular social environment that exists in Pacific countries. This seems to involve a great deal of uncertainty, perhaps political, social and economic instability. As one Fiji planner has expressed it,

> I think this line of thinking [in the superiority of planners] may well be tending to disappear. Perhaps for the better. I do not think planning should be seen as a technocratic exercise. It is a highly political process, one which involves a lot of judgement, a lot of which cannot be based on logic and rational consideration, especially when you look at a small, externally vulnerable economy like Fiji and the kind of social fabric we have, a multi-racial society.

Finally, the technocratic thesis is rejected in the context of the question whether planners, rather than politicians, should become leaders in development activities. Can they not do what politicians are supposed to be doing more effectively? Could not issues of development be handled better by administrative than by political means? In Tonga, for instance, much initiation of local projects, involving the task of 'mobilizing people for development', is done by administrators conducting conferences and seminars, even at the village level. This raises the question of the need of politicians as leaders in development and of the emergent power of planners. Answers elicited to these questions again indicate rejection of the technocratic thesis and a reassertion of a democratic approach to development. This is, for example, reflected in the earlier quotation from a Vanautu planner:

> Perhaps such heavy dependence is not good for democratic politics. I personally hate that to happen. At the moment we are trying to get away from such an approach. Experts should do what the people want them to do. The initiation should come from below, the people, moving upwards.

It is also reflected elsewhere in the view that national leaders or governments in the region should not indulge in an uncritical 'worship of development'. In the phrase of the same Vanuatu planner, "I would perhaps hate to see that our

politicians think that way," adding, "People as they are now are happy in their villages." By this he seems to mean that decision making in planning should remain in the hands of the people, or of politicians as their representatives, and should not be open to administrative manipulation from above, such as is frequently associated with activities of technocratic planners.

CHAPTER 19

POLITICIANS AND PLANNING

The attitude of politicians to development planning is likely to be of great importance for the success or failure of national planning. Do they give planners the necessary political backing to make development planning an effective government activity? This issue touches on the relationship between planners and politicians. Do conflicts arise between the two parties? It is said that planners have a particular concept as to how to rationalize and organize the process of development, while politicians have their own, more personal interest in development and planning. Can political leaders be said to be sympathetic to efforts of national planners to plan for development? Are they development minded? How do national planners perceive their role vis-à-vis the political element? The subsequent argument draws on the experience and perceptions of national planners in the South Pacific.

Development plans in the South Pacific do not refer explicitly to the role of politicians in national planning systems. However, the continued presence and expansion of planning organizations and of their activities indicate a continued support and commitment to planning at the political level. This has been given an explicit expression, for example, in the following statement in Fiji's DP8 (Foreword) by Ratu Sir Kamisese Mara, Fiji's Prime Minister: "The importance of and need for planning is now widely recognized and accepted with government and in Fiji generally."

This section focuses on what national planners in the South Pacific say about the contribution of political leaders to development planning. The relevant interviews are reproduced, at least in part.

> I think politicians take planning seriously. If they don't they are really not politicians themselves. They have to design the future. Arguably they are not politicians if they are not committed to development.

In general, I think, our role as a planning office is to do our best to advise politicians to make decisions that are technically correct. But they are the ultimate decision makers.

[Fiji]

How to distinguish administrative and political roles in the case of governors of the islands? They have both administrative and political responsibilities. After all, they are members of cabinet. . . Whether our office needs the consent of the governor if we try to initiate some project in the islands? I don't think that there is a formal procedure, but we would act through the governor's office. For example, we are trying to recruit a regional adviser for the northern island (Vava'u) who would be working there in our rural and regional development programme. He would be stationed in Vava'u and would work from the governor's office. And the governor is very keen to have that post established, to have a man to give technical support to the whole rural and regional programme. . . But I agree that such support to the action coming from our office depends on the good will of a person rather than being institutionalized.

The reaction we get from political leaders tends to be favourable. Once we have received an application for some economic and social project in the village, it is passed on to the Rural Development Committee (which is serviced by our office and whose chairman is our director). Eventually this will have to be approved by cabinet. There are only very, very few instances where cabinet has not yet approved the recommendation of the Rural Development committee.

[Tonga]

Sometimes criticism is made that politicians are at a disadvantage when they are asked to decide on projects. They are not familiar with them, as virtually all work and recommendations have come from administrators. Well, not exactly, politicians have their opportunity too. A lot of projects originate in the villages and also the departments are in continuous consultation with the people. Moreover, there are other committees under the Economic Development Board which deal with various sectors of the economy in which politicians are represented. So they are not unprepared to look critically at issues. Of course, it depends on how much

homework they have done and how interested they are. Some politicians are not greatly interested.

To answer the criticism that political roles are not clearly distinguished from administrative roles and that politicians tend to meddle in the daily running of administration. That certainly is true. You have a minister who is a politician and he is preoccupied with holding on to power. Things which he does are meant to please his voters or his constituency and enhance his political power. But these may not necessarily be the right things from the point of view of national planning . . . Yes, this does happen, and it is not always easy to ward off.

It must be kept in mind that always the minister has the trump card. As a civil servant you can make your point, and point out the wisdom of or the need for a particular project. But if the minister's view is the one that is to be followed and the civil servant has only one choice of action left - to go out, to resign. Of course, in theory the civil servant can make his own view known in some committee. But this is a bit provocative. You can't be seen to go to these committees and run your minister down. Usually you try to iron out the differences between the two of you, and then of course if you are very unhappy and feel very serious about the issue, your only alternative is to resign and make it known that you resigned because you disagreed with the minister and are prepared to sacrifice your job for it.

In Samoa there are consultations between administrators and politicians all the time, and of course there is always a great deal of accommodation. But we are quite free and open to say what we believe as administrators. We have all the freedom to say what we believe . . .

Our politicians are on the whole sympathetic to planning. But I would say that they are not committed or enthusiastic enough to really make a commitment that is required for a dynamic type of development planning. They accept planning, I think, as a sort of guideline as to what is needed to develop the economy and to give the people a better standard of living. But the other most important factor in planning is aid from overseas. Invariably the first thing the overseas countries or organizations say to us is: "O.K., we want to help you, but we want to know what your objectives are, what you hope to achieve in terms of economic development." In

such a situation, a development plan becomes a very valuable document for soliciting aid, and many politicians are aware of its usefulness.

One of the reasons why some of the objectives of development plans have not been achieved is exactly that there has been very little political commitment to carry out such objectives. Periodic progress reports will presumably mean more active involvement by policy makers. The intention, I think, is to make politicians feel more aware of what is going on in development, as not all of them read development plans; to make them more committed to what is being implemented in the context of national planning.

[Samoa]

In Vanuatu one of the important committees dealing with budget is the Budget Priority Committee composed wholly of civil servants. Yes, [there are] no politicians. A rather technocratic body! . . . But politicians do come in at some stages of the planning process. For instance, ultimately we are supposed to report to the Council of Ministers. Also they take a personal interest, for their ability to attract projects to their constituencies will boost their political position. They are particularly interested in infrastructure, things like airstrips, island wharfs, where they would be located, which island should be first, the road allocation to their constituencies, also schools in their constituencies.

We are rather part of the line system. The director of this office is supposed to make decisions, not only to give advice, in that sense we are a decision-making rather than an advisory body.

As economists or technocrats our planning role is to provide economic justification. The final decision on development will be in the hands of political leaders. If they decide, then we will follow.

In our relationship with politicians this office wants to be flexible, not rigid. We are sensitive to politicians' requests and we do not neglect them. We visit our ministers, trying to explain to them what goes on and what has happened. There is an accommodating attitude on both sides.

I think this kind of attitude is necessary. However, there is a potential conflict and often the planning office becomes an object of criticism. I don't mind, I rather welcome criticism to improve things.

Whether there are conflicts between planners and politicians? Lots of them. We get conflicting ideas between the planning office and the ministers. But our role in the planning office is supportive; we are not decision makers. Our job is to advise. Ministers are really our masters. Of course, if we do not have a basic conflict of interest about a project, we push it upwards for a higher, political decision to cabinet. Actually under the new system (not yet operational) the issue would go first to the National Development Commission (N.D.C.). This comprises first secretaries of the seven ministries and the chairman is the Prime Minister's first secretary plus the Director of Planning or his representative. Our office would provide secretarial service . . . The first secretaries are all politicians. There is no system of permanent secretaries. They are called first and second secretaries, and are all political appointees. They all belong to the ruling party like the minister in charge . . . Decision making in this country is, then, highly politicized in the sense that politicians are present at all levels of the administrative process. Yes, and in a way it is good. It solves a lot of problems, for this gives us, planners, directions right from the top level, the Council of Ministers.

Whether we should attribute a developmental role to politicians? Yes, you cannot get away from politicians. Development is a two-way process including political action . . . I do not personally think that politicians will hold back any form of development.

[Vanuatu]

The reaction of politicians to development planning is on the whole sympathetic. They are very much interested in development projects, particularly those that happen to affect their constituencies. They would like to see such projects materialize. They perceive the goodness there is in development but also the problems involved. Hence the protracted bargaining for funds that often occurs and is affected by the political process.

[Solomons]

Answers of respondents in the interviews have revealed a variety of perceptions on the attitude of politicians to development planning.

First, the idea is widely expressed that planning for development is a political process, in which political leaders decide, and should decide, the allocation of national resources. In fact, it may be argued that it is in the nature of political leadership to assume leadership also in national planning. As a Fiji planner quoted earlier puts it, "I think politicians take planning seriously. If they don't, they are not really politicians themselves. They have to design the future. Arguably they are not politicians if they are not committed to development." According to this view, the role of planners is merely 'advisory', subordinate to the role of politicians, which suggests the conventional dichotomy of politics and administration, although at least in one case the power of planners to make decisions has been also given recognition. At any rate, planners cannot disregard the political environment of their activity; as a Vanuatu planner has put it, "you cannot get away from politicians. Development is a two-way process including political action."

The subordinate role of planners is emphasized by all our respondents. In Fiji, for example, it is stated: "Our role as a planning office is to do our best to advise politicians to make decisions that are technically correct. But they are the ultimate decisions makers." In Samoa, "in the final analysis the minister's view is the one to be followed and the civil servant [who does not like it] has only one choice of action left - to get out, to resign." In Vanuatu, "we are not decision makers. Our job is to advise. Ministers are really our masters," and "As economists or technocrats our planning role is to provide economic justification. The final decision will be in the hands of politicians. If they decide, then we follow." On the other hand, in Vanuatu it is also asserted that the role of planners is more than merely advisory. "We are rather a part of the line system. The director of this office is supposed to make decisions, not only to give advice, in that sense we are a decision-making rather than an advisory body."

The attitude of politicians to development planning is described as "sympathetic" or "cooperative," but certain differences of interest are recognized. "I do not personally think that politicians will hold back any form of development," says a Vanuatu planner. Or in Tonga, "The reaction we get from political leaders tends to be favourable." At the same time it is widely admitted in most Pacific countries that politicians may have their own, unsentimental interest in development planning. They are said to be frequently "particularly interested in infrastructure . . . the road allocation to their constituency, also schools in their constituencies" rather than in the pursuit of something as abstract as 'national interest' or 'national

development'. Indeed, enterprising politicians appear to be looking for opportunities offered to them through planning, such as the various foreign aid schemes; in the words of a Samoan planner, "many politicians are aware of their usefulness."

The general attitude of politicians in the South Pacific to development planning can be perhaps summarized by an observation made by a Solomons' planner:

> The reaction of politicians to development planning is on the whole sympathetic. They are very much interested in development projects, particularly those that happen to affect their constituencies. They would like to see such projects materialize. They perceive the goodness there is in development but also the problems involved. Hence the protracted bargaining for funds that often occurs and is affected by the political process.

Despite a cordial relationship between politicians and planners, conflicts of interest periodically arise, which may be partly due to differences in their respective value orientation. The argument suggests that such conflicts are likely to occur in the process of interaction between the planning office and particular ministries or politicians; at the cabinet level recommendations of the planning office tend to be almost invariably approved. Many such conflicts are, of course, part of the normal decision-making process, from which differences of interests and political bargaining cannot be excluded. However, on the whole such conflicts appear to be manageable. As a Samoan planner puts it, "there is always a great deal of accommodation," or in Vanuatu, "There is an accommodating attitude on both sides. I think this kind of attitude is necessary." In deciding on issues, planners seem to be able to freely express their opinion, at least in their advisory capacity. According to the same Samoan planner, "we are quite free and open to say what we believe as administrators. We have all the freedom to say what we believe." This should make them satisfied that their voice is taken seriously and that it is likely to contribute to final policy decisions. It may be added that a degree of mutual conflicts or a criticism of planners by politicians need not always be a bad thing. One can view such criticism in a positive way, as leading to improvements in policy decisions. As a Vanuatu planner has put it, "often the planning office becomes an object of criticism. I don't mind, I rather welcome criticism to improve things."

At times, however, genuine differences of opinion may arise between politicians and planners. In that case, the supremacy of politics over administration, which is one characteristic of political systems in the Pacific, may be expected to assert itself. In brief, the minister will have the last word and the planner, if he is unhappy about the minister's decision, will have to reconcile himself to it or would have to resign. This is clearly expressed by the leading Samoan planner quoted earlier, according to whom "always the minister has the trump card . . . if the ministry has a different view, in the final analysis the minister's view is the one that is to be followed and the civil servant has only one choice of action left - to go out, to resign." He adds, however, that "Usually you try to iron out the differences between the two of you" to prevent such radical action from happening.

At least two other observations have been made in the preceding argument about the relationship between politicians and planners in the South Pacific. One is that a clear distinction between administrative and political responsibilities may be lacking. Frequently good relationships between political leaders and planners seem to depend on the good will of politicians rather than on functions being clearly defined. An example of this may be the relationship between Tonga's governors and its planners, mentioned earlier. Or politicians may try to interfere with the normal work of the planning office, such as by exerting pressure in favour of particular actions. This point has been reiterated in interviews, although it has been also suggested that such attempts have been successfully resisted. The second observation focuses on the excessive power of planners and relative impotence of politicians. It is argued that some crucial committees in government administration (e.g., the Development Planning committee in Western Samoa and the Budget Priorities Committee in Vanuatu) are run entirely by civil servants or technocrats and that in that way politicians are excluded from an important section of the decision-making process. They are thus unfamiliar with problems at issue and have no choice but to accept recommendations of the planning office. It is implied that this practice makes politicians weak while planners are strong, which is contrary to the principle of democratic administration. However, such criticism of national planners is not always accepted uncritically. As a Samoan planner puts it, politicians have their opportunity too, citing their contribution at the stage of initiating development projects and their extensive membership in the various government committees dealing with development. In his view, they "are not unprepared to look uncritically at issues."

Finally certain proposals are made as to how to strengthen the involvement of politicians in the process of planning, more broadly, how to make them more development oriented. This may be a desirable initiative, for as the argument indicates, although politicians in the Pacific accept the usefulness of planning, they are not necessarily enthusiastic advocates of it. Rather, they appear to follow a popular trend and seek to benefit from this activity. As one Samoan planner quoted earlier puts it, "our politicians are on the whole sympathetic to planning. But I would say that they are not committed or enthusiastic enough to really make a commitment that is required for a dynamic type of development planning." Or in another passage the same planner, referring to the involvement of politicians in the planning process, states: "it depends on how much homework they have done and how interested they are," adding wryly, "some politicians are not greatly interested."

Roughly three proposals have been made for improving the responsiveness of politicians to development planning. One is through getting them actively in the exercise of annual reviews on development, which should keep them up to date about and alert to changes that take place in the economy. This is the point made by a Samoan planner, according to whom "The intention . . . is to make them feel aware of what is going on in development, as not all politicians read development plans; to make them more committed to what is being implemented in the context of national planning." The second proposal focuses on communications between politicians and planners to which planners should contribute in a positive way. A Vanuatu planner refers, for example, to the need for a "flexible, not rigid" system of planning, meaning one that is responsive to its political environment. In his phrase quoted earlier, "We are sensitive to politicians' requests and we do not neglect them. We visit our ministers, trying to explain to them what goes on and what has happened. There is an accommodating attitude on both sides."

The last proposal, advanced in Melanesian states, aims at strengthening the political element in development planning. This is to be done by increased politicization of the development planning process. In Vanuatu, for example, this has led to the creation of the National Development Commission composed of first secretaries of the major government ministries who are all political appointees. A similar body, the National Planning Council, was established in the Solomon Islands. In creating such bodies national leaders in Melanesia seem to seek to exert more direct political control over national planning to assure its conformity with the

objectives of national development, which, it may be noted, are conceived not narrowly, as mere economic progress, but broadly, as including social and political development. It is significant that national planners in both these countries seem to view such attempts at 'politicization' or 'democratization' of national planning as a progressive step in development. As one Vanuatu planner puts it, "in a way it is good. It solves a lot of problems, for this gives us, planners, directions right from the top level, the Council of Ministers." It is implied that in rapidly changing societies as in Melanesia firm political directions are needed if national planning is to lead to more general social progress.

CHAPTER 20

PROSPECTS OF ORGANIZATIONS

Success of planning organizations in developing countries is likely to depend to a large extent on the perception of planners of the future prospect of their activity. This issue was also raised in our interviews in the South Pacific. The relevant questions focused mainly on the perception of planners of the position of their agency and its importance in the whole governmental system and on the planners' view about the nature of development of planning systems in their respective countries. The last question was usually formulated as follows: "If you look at the overall development of your agency after so many years of its existence, do you feel that it has acquired a particular style of its own and a measure of stability and maturity?" Answers to these questions are partially reproduced in the following section.

> If you ask me whether we occupy an important position in the governmental administrative system, I would say "no." If you ask me whether it is recognized, I would say "half-way." It is still developing I think . . . It is not that influential at this stage. Some links have still to be worked out. In general, I think, our role as a planning office is to do our best to advise politicians to make decisions that are technically correct. But they are the ultimate decision makers. [Fiji]

> Our office is a fairly new office. But I would like to hope that there has been some beneficial effect of it on the effectiveness of government and on the promotion of development. I mean if the office wouldn't have produced such benefits, the expenditure on my salary would not be justified. On the whole our responsibilities have been fairly well accepted by the other departments. Sure, now and then there are cases that they try to circumvent us or the Development Coordination Committee, in other words, they go straight to cabinet to seek approval of their proposals, but mostly this does not happen.

Also certain improvements have been made over time. Somewhat more continuity and also a more organized way of planning, more certainty in planning, have been certainly achieved. That certainty is necessary in view of the high increase in development assistance to Tonga, particularly over the last five years. This is where the whole structure needs to adapt itself to new reality. It is obviously not enough to have one Development Officer to look after the whole country, as this could be done in 1970, when there was only some half a million dollars or less worth of aid coming in Tonga as against millions today. (Also his duties, performed under the Ministry of Finance, were relatively simple and administrative, to check that foreign aid was spent.) Now we are talking about much bigger amounts. The increased workload naturally requires adoption of the processes and structures that we have.

Some areas, however, need improvement urgently. In our office one such area is staffing. Not so much that we need more approved positions, but that we just have too many vacant positions. Except for a very few months, we have never had at any one time the staff that we are supposed to have. Another area is localization. We need to constantly review this aspect of our organization to do our best to increasingly localize our positions. Ultimately the Tongan staff should take over all the functions. Ideally we, the expatriates, should work ourselves out of our jobs. It is also urgent to develop new capabilities. This is what we are trying to do. We are reviewing our planning approaches and methodologies more or less on a continuous basis. When we discover that we could do our work effectvely, we try to come up with new approaches. At the same time we seek continuity to avoid the danger of creating confusion. We do our best.

[Tonga]

Our office is very much in the process of maturing and developing. Reading about economic development overall and looking at the performance of countries like Taiwan and South Korea, experience in planning and development in these countries seems to show a very strong commitment to development. They accord development planning, the planning office and those involved in planning activity a superior position and power to bring about dynamic development. Over here, we do play a

role, but it is not strong enough. We are not yet in a strong position to be able to say: "This shall be done, and you, treasury people, go and look for the money that we need. We don't give a damn how you get it, but it must be done." Nor do we have the political support and commitment to do it. Some kind of really strong trust and power behind implementation pushing development, that is not there.

[Samoa]

Our planning office (in Vanuatu) is still in the process of establishing itself.

Whether our office has assumed a meaningful place in the Vanuatu government system or whether we are still feeling our way around? I think we more or less feel that we have matured.

Question: This presumably means that you know what your functions are, what you are expected to do, although you may not always have the means to do it, and that you have been accepted as having an important role to play in the country's development.

Answer: Yes, and I cannot personally see how we can get priorities right without having a planning unit.

[Vanuatu]

Whether the planning division has been recognized as fulfilling a useful, perhaps an inevitiable function?

My personal experience at least in the rural areas indicates that people look up to a planner as someone important and take his advice seriously.

[Solomons]

Answers given by government planners in the South Pacific to questions about the prospect of planning organizations in their respective countries indicate (as was perhaps to be expected) an optimistic belief in the usefulness, if not the inevitability, of such organizations, They are perceived to play an important role in national development and planning. This is reflected in the earlier comments cited in this chapter. In Vanuatu, "I cannot personally see how we can get priorities right without having a planning unit." In the Solomon Islands, "my personal experience at least in the rural areas indicates that people look up a planner as someone important and take his advice seriously." Or in Tonga, "I would like to

hope that there has been some beneficial effect of our office on the effectiveness of government and on the promotion of development. On the whole our responsibility has been fairly well accepted by the other departments."

On the other hand, government planners do not view the existing planning systems in the South Pacific as fully developed or mature. These systems still have some way to go to achieve complete maturity. Their shortcomings are recognized both in the technical sense and as a limitation of their influence in the whole governmental administrative system. In Tonga, for instance, maturity of planning is equated with self-reliance and it is implied that this is still lacking. One example of this is staffing, which manifests a permanent tendency to operate on less than a full complement of staff. For complete self-reliance or maturity to exist, says one expatriate planner, "Ultimately the Tongan staff should take over all the functions. Ideally we, the expatriates, should work ourselves out of our jobs." In Samoa maturity of the system seems to be hindered to a large extent by insufficient political support or commitment to planning. "We do play a role," comments a Samoan planner, "but it is not strong enough . . . we do not have the political support and commitment to press our position . . . Some kind of really strong trust and power behind implementation pushing development, that is not there." In Vanuatu, too, although it is stated in one passage that "we have more or less matured," it is obvious that what is meant is a relative advance rather than achievement of maturity, for it is also asserted that the Central Planning Office is still "in the process of establishing itself." Even in Fiji complete self-confidence on the part of national planners in the ability of their office to play a strong role in the country's economy seems to be lacking. This comes out in their comment about the "half-way" recognition of their office and in their periodic assertion of their "merely advisory" role in the governmental system mentioned in other chapters. As one Fiji planner has put this point in an earlier quotation:

> If you ask me whether we occupy an important position in the governmental administrative system, I would say "no." If you ask me whether it is recognized, I would say "half-way." It is still developing I think. It is not that influential at this stage. Some links have to be worked out. In general, I think, our role as planning office is to do our best to advise politicians to make decisions that are technically correct. But they are the ultimate decision makers.

A basic optimism about future prospects of planning organizations prevails and is reflected in the persistent emphasis on improvements taking place to enhance the quality of such organizations. For instance, there is said to be a willingness to innovate existing systems in the light of changing reality, such as by adopting new planning concepts and organizational procedures. In the statement of a Tongan planner quoted earlier, "We are reviewing our planning approaches and methodologies more or less on a continuous basis. When we discover that we could do our work more effectively, we try to come with new approaches. At the same time we seek continuity to avoid the danger of creating confusion. We do our best." There is also a new awareness that reforms of systems should not be piecemeal; rather, that "the whole structure needs to adapt itself to new reality." In addition, there is a conviction that despite the relatively short period of the existence of planning organizations in the South Pacific good results have been achieved, involving "more continuity and also a more organized way of planning, more certainty in planning." Finally, there is strong confidence in the ability of planning organizations to do what they are expected to do, namely, to act as a dynamic instrument for the attainment of desired objectives of national development which all countries in the South Pacific claim to be after.

CHAPTER 21

CONCLUSION

The discussion of this study on the organization of development planning in the South Pacific reveals a variety of characteristics and problems which, considered together, make it possible to draw a general profile of planning organizations in the region. In the concluding chapter the principal features of such a profile are identified by way of a number of generalizations based on the main findings of this study. In addition, the effectiveness of planning organizations in the regional countries is briefly considered and a number of major problem-areas or issues are identified, which are likely to significantly affect the course of future development in this area.

The study reveals a number of important points about the organization of development planning in the South Pacific. First, it indicates the presence of planning organizations and the recognition of the importance, if not the centrality, of such organizations in all the countries of the region. This is evidenced by the growth of institutionalized planning, by a dramatic increase in the scope of government planning and by stong and persistent commitment to development planning by national leaders. Planning organizations have grown rapidly in their staffing and responsibilities and have become more sophisticated in their operation. They now comprise a wide range of specialized functions such as macro planning, economic and social sectoral planning, infrastructure, manpower and employment planning as well as regional planning, although not all these functions are present in some systems.

Secondly, the discussion draws attention to common features of organizational systems in the region. It indicates more similarity than difference among the countries, as the basic problems facing their planning appear to be nearly identical. This may be explained by a strong affinity among the countries in their physical, economic and social environment and their historical (colonial) experience. However, significant differences also exist. One of these is in the timing of planning. This seems to be related to the granting of political independence.

Roughly, the earlier the date of independence, the earlier the start of development planning, while in Tonga, which has never been a colonial country, more comprehensive development planning was adopted before the mid-1970s, when its attraction could not be resisted for several reasons. Another difference is reflected in the contrast between the Polynesian or Fiji experience with planning and the two Melanesian countries covered in the study. If broad generalizations can be made, Polynesia seems to represent an essentially 'administrative' approach to planning, while the Melanesian experience suggests the primacy of 'political' concerns. In Melanesian systems, a high degree of political consciousness seems to prevail, which manifests itself also in issues connected with national planning. This seems to be due to a variety of reasons such as that independence has been achieved relatively late and these two states are still in the earlier formative stages of autonomous development, the need to preserve a balance among the wide range of social forces and groups forming the new nation, the strong commitment of political leaders to devolution of political and administrative power or regionalization, and partly perhaps to some bitter memories associated with the country's colonial experience. It has led to a rather 'politicized' approach to national planning, where political bodies have been established to supervise national planning to assure its conformity with the basic orientation of the new polity. An extreme example of this is the absence in Solomon Islands since 1981 of any national development plan, apparently because in the eyes of national leaders the plan proposed for the early 1980s has failed to reflect the new political reality, centered on decentralization. Thus, comprehensive development planning may have to wait until the social and political forces, disturbed by on-going efforts at regionalization, find new stability, although at a different level from the original equilibrium.

Thirdly, and more broadly, the discussion draws attention to the similarity of experience and problems in this area between the Pacific island countries and other small developing countries. This involves such problems as, for instance, heavy dependence in planning organizations on foreign expertise and guidance, a lack of local experts and adequate statistics, and constraints on staffing and training. This also involves a realization that in the context of small countries the use of macro models may not be a good approach to planning, although they may be helpful for understanding more general economic trends. Rather than being centered on macro approaches, experience in small Pacific countries suggests that a focus on projects

may be a more realistic strategy for organizing planning activity. Development planning is, thus, viewed as being basically concerned with development programmes and projects, and with funding such activities. The point that is also frequently reiterated is that planning concepts and methodologies should be constantly modified in the light of the physical and social environment in which planning systems of small-size countries like those of the South Pacific operate.

Fourthly, the study lends itself to generalizations about defects present in planning systems and strategies used to overcome such defects. However, these issues cannot be discussed at this stage. They are discussed in particular chapters of the study. It suffices to say that problems and solutions identified in this area are not only technical but also political, social and cultural. Indeed, frequently the latter are viewed as being more important as factors affecting development planning. Experience indicates that the effectiveness of planning organizations depends to a large extent on the support given them by national leaders, on the political will backing this activity. This, however, is often not very strong, as political leaders may be interested in projects of their own and may not give a high priority to what planners may view as a more rational action. Similarly the effectiveness of planning organizations is likely to partially depend on the response to them of the population at large. In this respect the study indicates that people's involvement in planning decisions is weak. There is, however, increased awareness of the need for popular participation and for changing people's values in this area.

The study also enables us to make general observations about the philosophic orientation underlying planning activity and the nature of the influence of national planners in the South Pacific. The orientation is reflected primarily in the means or strategies used, comprising, for instance, macro economic models, advanced techniques of management and organization, the idea of comprehensive rationality and emphasis on professionalism and efficiency technically conceived (although non-technical dimensions are also recognized). This is present in all development documents, suggesting a highly modernizing approach, technology, if not technocracy oriented. The growing influence of national planners is evidenced by the growth of planning organizations in staffing, funding and the coverage of their activity, mentioned earlier. It also involves the recognition of the central role of planning organizations in national development, which should greatly enhance the power of planners in national decision making, as it is often the case in the other developing areas. An interesting example of the increased influence of planners in

some regional countries (e.g., Tonga) is the planner's role in initiating development projects at the village level, involving the idea of 'mobilizing' the rural people for development. Thus by administrative means government planners may be performing a mission that has been traditionally associated with political functions, which gives rise to the intriguing question of the need of politicians for these type of activities. On the other hand, our findings indicate a relatively low profile of national planners in the policy making process, as they perceive their role as being only 'advisory', although a more realistic assessment of their role has also been expressed.

Another aspect of the study is evaluation. In this respect the study allows us to evaluate the extent of the effectiveness of organization of development planning. However, our evaluation has been implicit rather than explicitly developed. This is so because the findings indicate the obvious fact that almost in every respect, such as organizational, coordination, monitoring, budgeting and so on, Pacific systems of planning tend to function inadequately when measured by criteria of rational operation, at least as they exist at present. To understand these systems it may, then, be more fruitful to highlight the dynamism of their development than to delve into their obvious defects. Reactions of planners indicate some such attitude to criticism of planning. They seem to regard such criticism as useful, but only as a starting point in the process aimed at major improvement of existing planning systems. They freely admit that such defects exist and that they should be overcome.

Finally, the study gives considerable insight into future prospects of this activity as the practitioners of national planning themselves perceive it and highlights a few areas or issues that seem to be of particular importance and are likely to be lasting. The theme focusing on future prospects of the organization of development planning in the South Pacific region is developed mainly in the chapter on 'Prospects of Organizations'. The argument developed there and elsewhere in the study suggests that planners in the region have a highly optimistic view of the present future importance of planning activity and share a belief in the beneficial effect of such activity on their respective countries or national development. They perceive their systems as not yet mature, but as being in the process of dynamic development. They draw attention to rapid developments that have occurred in this area in recent decades or years and tend to emphasize the point that, as expressed by one planner from the region, "more continuity and also a more

organized way of planning, more certainty in planning, have been achieved." The dynamism of their activity is reflected, for instance, in the comments made in the interviews, in which they advocate such progressive and innovative measures as major reforms of planning systems and practice involving adaption of existing systems to new needs, development of new capabilities in this field, periodic reviewing of the relevance of prevailing concepts and methodologies to the changing conditions of social and economic reality, encouragement of localization of staff and self-reliance, comprehensive rather than piecemeal approaches to reforms and the like aspects. It may be noted that such innovative spirit appears to be present in all the systems examined in this study.

The optimism of planners may, however, have to be moderated by some caution. The study has identified a number of major problems, such as technical, political and social, which cannot be easily overcome. Conceivably, as planning systems grow in size and complexity, problems will likewise increase and assume a new magnitude. In addition to problems that may be expected to occur in rapidly developing systems, there appear, however, a few other more basic problems that are likely to be lasting, given the particular environment of the South Pacific region, and which may be expected to significantly affect the course of development in this area at any particular period of time. Three such problem areas or issues are identified in the concluding section of the study.

One such problem area involves the issue of availability of resources. Given the limited resources of the countries of the region in such organizational aspects as, for instance, staffing, training and finances, apart from constraints due to economic under-development, planning organizations may not be able to develop adequately, whether in quantitative or qualitative terms. They will always work under considerable constraints. This may require developing a more modest type of planning organization, adapted to local needs, rather than large-size, complex advanced systems. However, the example of at least one larger planning organization in the region, that of Fiji, suggests a possibility of creating a viable planning system and so overcoming, to a large extent, the problem created by limited resources.

Another problem area of lasting importance involves the issue of decentralization or regionalization of planning. The analysis of the study suggests significant differences in approach between Polynesia and Melanesia, the former showing preferences for centralization, the latter for decentralized planning. All systems

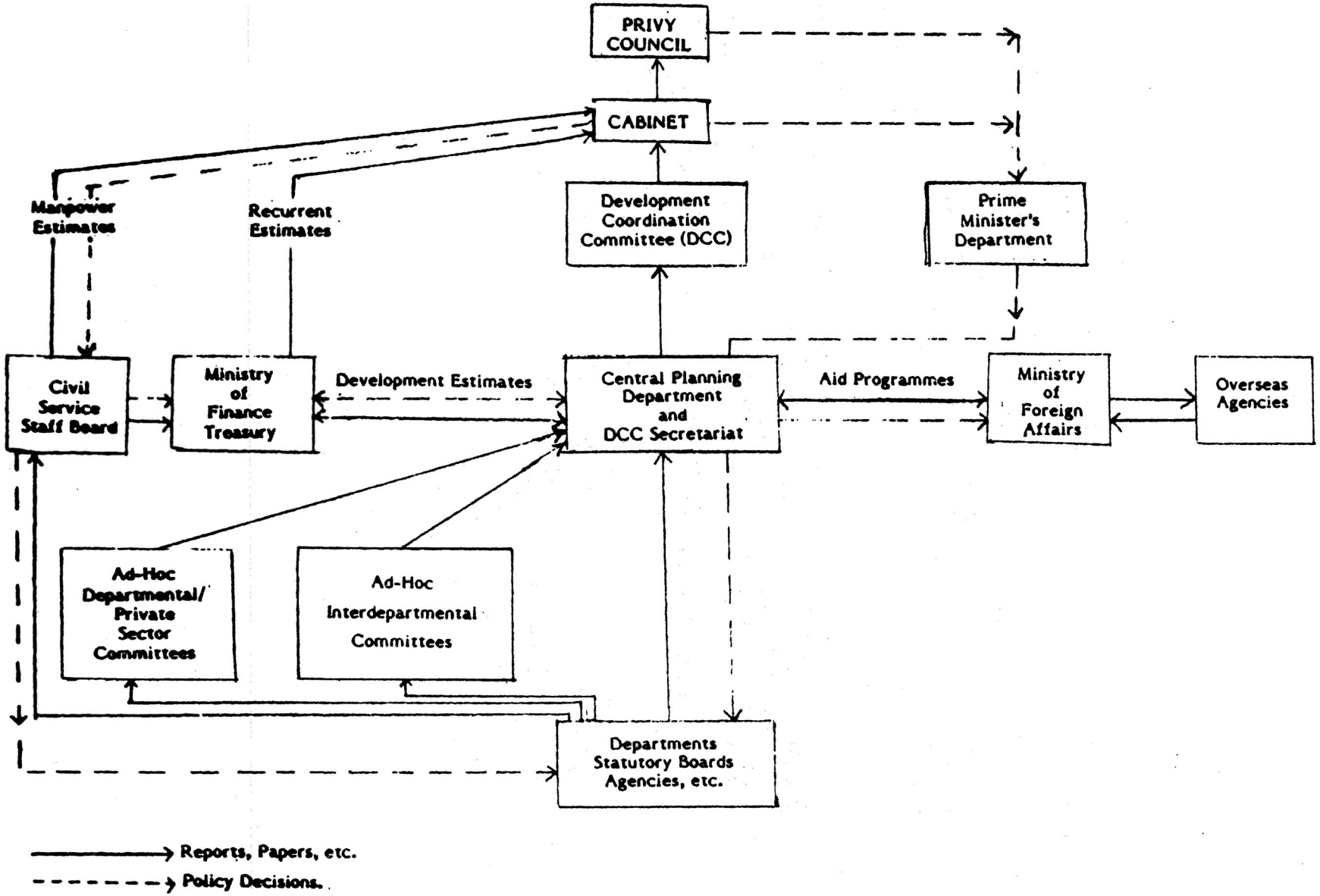
indicate a lack of capability for development planning conducted at the level of regions and, it seems, a trend toward increasing the power of the centre in national planning, including regional planning. In some countries, such as Fiji, there appears considerable reluctance to decentralize, despite a strong rhetoric in the opposite direction. Reasons for reluctance to embrace decentralized planning are many, involving technical aspects or inferior capacities, political interests, perhaps a threat of revival of an undesirable type of traditionalism, bureaucratic politics and the like. In the absence of a strong popular pressure for decentralization, a neat system of central planning may thus be accepted as the preferred system. Even in this area, however, the concept of regional planning done in the regions may well be manageable. One form of it may involve a modified version of central planning, while the other may involve decentralized planning which is a part of local or regional governments, such as in Melanesia. The latter form is identified with political devolution and the idea of more direct people's participation in development. It assumes that genuine regional planning requires major changes in political structures toward political and administrative regionalization.

The discussion of this study draws also attention to another problem area or issue that is likely to remain as one of the aspects present in the organization of development planning in the South Pacific. This is the technocratic orientation in planning which may be contrasted with more conventional approaches and with the basic traditional values of the societies of the region. The study indicates that regional planners enjoy a growing influence, which, despite their claims to the contrary, is in a technocratic direction, i.e., towards excessive emphasis on technical concepts and approaches and general rationalization of economic and social systems. However, the influence of technocracy in the region may not always be in a desired direction; it may have an adverse impact on currently held values and culture. Major reservations about technocratic approaches have been expressed, for example, in Western Samoa and in Solomon Islands, where a proposed development plan was abandoned (in 1981) because it seems to have been too technical and failed to show sensitivity to new political and social reality. It is likely that certain conflicts between technocratic/modernizing and traditional elements will always remain present in Pacific systems simply because they are developing systems. Again, hitherto this problem appears to have been manageable in all regional countries, perhaps because pressures for more radical social change have been absent or resisted.

Experience with the organization of development planning in the South Pacific, like the experience of many other developing areas, suggests the existence of rapidly developing, dynamically functioning planning systems which involve a variety of defects but also manifest a determination to overcome such defects. The study has sought to identify this negative aspect of systems and to explore strategies for the improvement of systems. It has also identified more lasting problem-areas in these systems. Ultimately, the present argument has sought to clarify the issues involved. It is assumed that such clarification of relevant issues is a useful step toward improving the quality of development planning both in its theoretical and practical aspect or towards stimulating more rationality in the behaviour of the organization of planning in the region.

CHART I

ORGANISATION OF PLANNING



APPENDIX II

CENTRAL PLANNING OFFICE
Establishment & ORGANISATION CHART (STAFFING)
JANUARY 1983